



Daily Report

China

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General

Spokesman Wu Jianmin Addresses Conference for Media

Says Deng in 'Very Good Health'

HK2608063293 Hong Kong AFP in English 0630 GMT
26 Aug 93

[Text] Beijing, Aug 26 (AFP)—Chinese leader Deng Xiaoping, who has just celebrated his 89th birthday but has not been seen in public in seven months, was in "very good health", a Foreign Ministry spokesman said Thursday [26 August]. "Deng Xiaoping is in very good health," Wu Jianmin told a media conference called to mark the visit of Thai Prime Minister Chuan Likphai. Wu added that recent reports concerning Deng's deteriorating health were "groundless."

Deng, who has not held an official position since 1990 but remains the country's elder statesman, quietly marked his 89th birthday Sunday. There has been much foreign speculation in recent months that Deng's health has been declining. U.S. intelligence suggests that he is dying and believes he will live no more than a year. His family regularly denies such reports but Deng has not been seen in public since January. Deng was last seen on television in Shanghai on Chinese New Year and appeared frail.

Notes Li Peng Remarks on Cambodia

HK2608073093 Hong Kong AFP in English 0707 GMT
26 Aug 93

[Text] Beijing, Aug 26 (AFP)—Chinese Premier Li Peng on Thursday appeared to warn Thailand against interfering in the internal affairs of Cambodia. Li told Thai Prime Minister Chuan Likphai during a meeting here that "no outside forces should interfere in the internal affairs of Cambodia," Foreign Ministry spokesman Wu Jianmin told a briefing.

The Chinese leader did not mention Thailand by name, but the Cambodian Government has accused Thailand of helping Beijing's erstwhile allies, the Khmer Rouge, in recent battles against Phnom Penh forces. Li also said that Prince Norodom Sihanouk should be given a larger role in deciding Cambodia's affairs, amid differences over his constitutional role. "We maintain that under the current circumstances greater attention should be given to the role of Prince Norodom Sihanouk," Li was quoted as saying.

The party headed by Sihanouk's son has proposed a constitutional monarchy, while the other main proposal outlined a parliamentary system where a head of state is elected to a five-term and would appoint a prime minister.

Cambodia's legislature is to meet on the constitution September 10.

China was once the main military backer of the Khmer Rouge, but pledged to halt all support following a 1991 Cambodian peace accord.

Upcoming Qian Trip Abroad, Planned Foreign Arrivals Noted

Qian To Visit E. Europe, Ukraine

OW2608084693 Beijing XINHUA in English 0831
GMT 26 Aug 93

[Text] Beijing, August 26 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen will pay an official visit to Ukraine, Romania, Albania, Slovenia and Croatia from September 6 to 16, a Foreign Ministry spokesman announced here today.

Qian goes on the visit at the invitations of the foreign ministers of the five countries.

India's Rao To Make Official Visit

OW2608084893 Beijing XINHUA in English 0831
GMT 26 Aug 93

[Text] Beijing, August 26 (XINHUA)—Indian Prime Minister Narasimha Rao will pay an official goodwill visit to China from September 6 to 9, at the invitation of Chinese Premier Li Peng, a Foreign Ministry spokesman announced here today.

Thai Senate Group To Visit

OW2608045493 Beijing XINHUA in English 0405
GMT 26 Aug 93

[Text] Beijing, August 26 (XINHUA)—A delegation of the Thai Senate, headed by its First Deputy Speaker Arsa Meksawan [name as received], will pay a goodwill visit to China from August 28 to September 7 at the invitation of the Standing Committee of China's National People's Congress.

Kyrgyz, Estonian Ministers To Arrive

OW2608085393 Beijing XINHUA in English 0832
GMT 26 Aug 93

[Text] Beijing, August 26 (XINHUA)—Foreign Minister Ednan Karabayev of the Kyrgyz Republic will pay a visit to China starting from August 28, a Chinese Foreign Ministry spokesman announced here today.

Also, Foreign Minister Trivimi Velliste of the Republic of Estonia will pay an official visit to China from September 2 to 5.

Both foreign ministers are invited by Chinese Vice-Premier and Foreign Minister Qian Qichen, the spokesman announced.

World Bank Urges Against Economic Overheating
*OW2508210093 Beijing XINHUA in English 1751
 GMT 25 Aug 93*

[Text] Washington, August 25 (XINHUA)—The World Bank urged China here today to take urgent measures to stop its economy from overheating.

In a discussion paper released today, the bank singled out reforming tax, encouraging savings and easing import barriers as among the crucial steps needed to avoid a "hard landing" of Chinese economy.

Noting that the growth rate of China's economy in 1993 will be 14 percent, the paper said it was clear that by this past spring, "The economy was overheating and growth at such high rates was not sustainable."

However, the paper said, "the situation was not out of control," and a range of tightening measures can permit the economy to have a "soft landing" and eliminate overheating.

"China: Reform and Development in 1992-93", which draws on the latest World Bank economic data, was prepared as a guide to the changes taking place in China.

Although short-term action is important, the paper stressed, it is critical that China should "move rapidly to deepen a wide range of reforms."

The reforms, the paper noted, should equip the government with the tools and institutions of macroeconomic management and create enterprises responsive to indirect economic levers.

The paper said Beijing has begun to pay attention to fiscal system and financial reform, but "concrete measures have yet to be taken."

It also called for a broadening of the tax base, price reform, enterprise reform and reorganization of government economic management.

For China, "market economy does not necessarily require less government, just different government, and defining the new role for government," the paper stressed.

Experts Meet on International Relations Research
*HK2508045893 Beijing RENMIN RIBAO in Chinese
 19 Aug 93 p 7*

[“Trend in Academic Studies on International Issues” column by Xu Wen (6079 2429): “Formulating Our Country's International Relations Theory”]

[Text] From 3 to 5 August, 77 experts and scholars from 66 research organizations on international issues from all over the country gathered in Yantai and attended the Symposium on the Study of International Issues and Principles held by the Shanghai Peace and Development Research Institute and other units. In a refreshing and tranquil

atmosphere in this coastal city, participating delegates held in-depth and detailed discussions on the research and development of theories of international relations in the wake of the Cold War and on the cooperation and development of China's research organizations.

The delegates unanimously agreed: China's international issues research personnel should base their work on China and keep the world in view while formulating a system of international relations theories with China's own characteristics. Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics embraces the important contents of the relevant international relations theories. One important basis on which he has formulated the basic line of taking economic development as the central task is a sharp, exceedingly forward-looking, and profound analysis of the world situation. Therefore, this theory is also the guiding thought for researching international issues. Experts pointed out: In order to formulate our own system of international issue theories, it is necessary to conscientiously and systematically study and sum up the abundance of experience and practice in handling international relations during China's revolutions, especially the experience and practice since the PRC was founded. The Five Principles of Peaceful Coexistence, the principle of opposing hegemonism and power politics, and other principles which China vigorously advocates are important contributions to modern international relations theories. We should also conduct necessary excavations and studies of pertinent contents among China's ancient cultural heritage so that we can inherit fine national traditions.

As for the object and content of international relations theoretical research, some scholars maintained that it mainly researches into how a country can obtain maximum superior status in the world, including static and dynamic contents. Static theories study a country's international relations resources (politics, economy, military capability, culture, religion, the ecological system, and so forth) and how to utilize these resources most rationally and effectively to obtain superior status. Dynamic theories study how to increase a country's volume of international relations resources to strengthen its superior status. Some scholars maintained that the research of international relations theories is different from the research of international relations countermeasures. They said that there should be, and inevitably are, different schools of thought and that we should encourage their mutual exchange and promotion. Scholars also pointed out: In order to formulate our own system of theories, we must closely keep abreast of research trends around the world, strengthen international exchanges, and study and absorb the positive achievements of research by others. At the symposium, some scholars briefed on and evaluated the new theories and viewpoints in Western academic circles, such as "soft power," "international political economy," "economics political science," and the "cultural dispute theory."

The delegates held lively discussions in light of the post-Cold War world situation and expressed their views on important issues, including characteristics of the times, the strategic setup, and major contradictions. Most agreed that: In the wake of the Cold War, peace and development have now become two major themes. However, because of the end of the bipolar setup, the recombination of various forces, and economic competition which is getting more acute daily, for a period of time, the world will be complicated and constantly variable. The participants maintained that in a world where great historical changes are taking place, only by applying the world outlook and methodology of dialectical materialism and historical materialism can personnel researching international relations theories have a good understanding of the nature of affairs.

Participating experts and scholars called strongly for strengthening cooperation between international issues research organizations to utilize available manpower and material and financial resources more fully. Their specific suggestions are: Setting up a coordinating organization, which can be authoritative or cooperative or which can offer services; exchanging information and research results with one another; sharing out the work and cooperating with one another with respect to the direction and themes of research; establishing a computerized communications network system when the time is ripe; and publishing an international issues periodical that can represent China's research standards.

The symposium, which was unprecedented in scale, had the concern and support of the relevant quarters. Zheng Bijian, executive deputy head of the Central Propaganda Department, phoned the symposium, hoping that the symposium can open up a new prospect for China's international issues research. Vice Foreign Minister Yang Fuchang attended the opening ceremony and gave an address.

United States & Canada

Reportage on Missile Technology Sale Decision

Daily on Sanctions Possibility

HK2608030093 Hong Kong HSIN WAN PAO in Chinese 25 Aug 93 p 2

[“Evening Talk” column by Yang Chu (5017 2612): “Trade Sanctions Against China?”]

[Text] An official from the U.S. State Department said that the United States will announce this week its decision on imposing trade sanctions against China. The reason, he said, was that it had information indicating that China had exported technology to Pakistan to help it manufacture M-11 missiles.

China has once again denied having helped Pakistan manufacture such missiles. Nevertheless, the United

States has insisted that some products China shipped to Pakistan made it possible for Pakistan to manufacture M-11 missiles.

The United States turned a deaf ear to China's explanation and to Pakistan's statement but it has failed to produce any evidence to prove that China has done what it alleges. What it could do was to outrageously indicate its intention to impose sanctions against China, displaying its consistent policy of intimidating others by showing its teeth. How overbearing.

This is not the first time that the United States has accused China of selling prohibited weapons to Third World countries. The U.S. accusation against China's merchant ship Yinhe of transporting chemical weapons to Iran has become the talk of the town in the last few days. This is a little similar to the M-11 case: China says that there is no such thing, but the United States insists on saying there is. The situation is better now: Yinhe has arrived at Port Dammam, Saudi Arabia; Saudi Arabian and Chinese officials will go onto the ship today for an inspection and there will soon be an answer to whether or not there are chemical weapons.

As a matter of fact, it has long been clear that the Yinhe is not carrying chemical weapons. If there were chemical weapons on the ship, would China have agreed to such an inspection?

China and the United States must be on friendly terms. This is Beijing's attitude. But the United States is always baring its fangs and brandishing its claws to create trouble. It is the United States which is destroying Chinese-U.S. friendly relations, not China.

If their trade embargo on China becomes a reality, according to what some Americans said, the prohibition on the sales of electronic instruments, spaceflight equipment, and planes to China alone will cause a loss of several billion U.S. dollars in business; not just China will suffer the loss.

Economic Sanctions Imposed

OW2608010093 Beijing XINHUA in English 2023
GMT 25 Aug 93

[Text] Washington, August 25 (XINHUA)—The United States today imposed economic sanctions on China for alleged sales of missile technology.

Speaking at a news briefing, State Department spokesman Mike McCurry accused certain Chinese and Pakistani entities of having been engaged in “missile-related transfers,” which he said “required the imposition of sanctions under U.S. law.”

U.S. intelligence agencies have been reportedly split for months over whether evidence indicated a violation by China and Pakistan of the Missile Technology Control Regime (MTCR).

However, according to McCurry, the determination to impose what are called "category two" sanctions was made at the State Department last night. The decision probably includes a two-year ban on exports of sensitive U.S. technology to China.

The U.S. allegations about the so-called "missile technology transfers" have been rejected by China and Pakistan.

Envoy: Sanctions 'Unreasonable'

OW2608010893 Beijing Central People's Radio Network in Mandarin 2230 GMT 25 Aug 93

[By station reporter Wang Guoqing stationed in Washington; from the "News and Press Review" program]

[Text] In disregard of the truth repeatedly stated by China and Pakistan over the question of the so-called transfer of China's M-11 missile technology to Pakistan, the U.S. Government, insisting on its erroneous judgment, flagrantly announced yesterday [25 August] the imposition of a two-year economic sanction against China's aviation and other departments.

At a regular news briefing, State Department spokesman McCurry disclosed that the U.S. Government's decision was announced to Chinese Ambassador Li Daoyu and the Pakistani Ambassador to the United States when they were summoned by Davis, undersecretary of state in charge of international security affairs, on two separate occasions yesterday morning.

McCurry said: Information from various sources has shown proof of China's transfer of the M-11 missile technology and parts to Pakistan. Therefore, according to U.S. law, Washington has decided to impose a two-year second-category sanction against China. He said: The U.S. Government decision will bar China from importing from the United States electronics, space, and other relevant equipment worth \$400-500 million annually for a period of two years.

In connection with this, the spokesman of the Chinese Embassy in the United States solemnly pointed out: The Chinese side has repeatedly explained to the U.S. side that China has never violated its commitment to the missile technology control regime. However, the U.S. side has used inaccurate information in drawing an erroneous judgment and imposing sanctions on China according to its domestic law. This is entirely unreasonable. China raises its strong objection to this.

China 'Strongly' Objects'

OW2608095693 Beijing China Radio International in English to Western North America 0400 GMT 26 Aug 93

[From the "World News" program]

[Text] China strongly objects to the decision by the United States to impose a two-year sanction on exports of U.S. sensitive technology to China.

The U.S. State Department announced the decision Wednesday after receiving intelligence agency's report that China has sold missiles to Pakistan.

A Chinese Embassy spokesman said in Washington Wednesday [25 August] that the U.S. decision is based on inaccurate intelligence information, and disregards China's repeated assertions that no missile transfers are taking place.

Under the U.S. law, the sanctions will cover the exports to China of electronic equipment, space technology, and military aircraft for a period of two years. The trade is estimated to be worth about 400 million U.S. dollars.

Qian Warns U.S. Representatives on Communique

OW2508132793 Beijing XINHUA in English 1249 GMT 25 Aug 93

[Text] Beijing, August 25 (XINHUA)—Chinese Vice-Premier Qian Qichen, meeting with a group of U.S. congressmen here today, said that Sino-U.S. relations would be seriously affected if the United States amended provisions restricting U.S. arms sales to Taiwan as stipulated in the Sino-U.S. "August 17" joint communique.

Recently, he said, some people in the U.S. Congress have proposed a bill with the intention of amending the provisions on restricting U.S. arms sales to Taiwan.

Qian was meeting with a delegation from the Armed Services Committee of the U.S. House of Representatives, led by Dave McCurdy, chairman of its Military Construction Subcommittee.

"If the United States were to make such a decision, this would have a serious negative impact on Sino-U.S. relations," Qian said.

Both China and the United States should strictly abide by the agreements they have reached, said Qian, who is also foreign minister.

In the hour-long meeting, Qian and McCurdy exchanged views on other issues of mutual concern.

McCurdy told Qian that the visit has left a positive impression on the delegation members, who not only have witnessed the vast changes taking place in China, but have also got a better understanding of China's views on some issues.

Qian noted that this month China has received many groups of visiting U.S. congressmen, calling this "a good thing" which will contribute to the promotion of mutual understanding.

Also this afternoon, Qin Jiwei, vice-chairman of the Standing Committee of China's National People's Congress, met with McCurdy and his party.

Raidi Briefs U.S. Congressman on Tibet, Policy

OW2508142793 Lhasa Tibet Television Network in Mandarin 1200 GMT 24 Aug 93

[From the "Tibet News" program]

[Text] Raidi, deputy secretary of the Tibet Autonomous Regional CPC Committee and chairman of the regional people's congress standing committee, had a cordial meeting with Senator Max Baucus of the U.S. Democratic Party, chairman of the Senate Environment and Public Works Committee, and his party at the Nationality Room of the Hall of Tibetan People in Lhasa on the evening of 23 August. The host and guest exchanged views on issues of common interest in a cordial and friendly atmosphere. [Video shows Raidi and other Tibetan officials meeting Baucus and his party at the entrance to the meeting room. After shaking hands with the guests, Raidi invites them into the room]

Mr. Baucus said: I have come to Tibet on an inspection tour as a friend of the Tibetan people. I hope to get acquainted with the relevant religious belief and regional national autonomy in Tibet, as well as the Chinese Government's policy toward the Dalai Lama. [Video shows Baucus, other members of his delegation, Raidi, and other Tibetan officials sitting on sofas, occasionally focusing on Baucus and Raidi as the latter briefs the former]

Deputy Secretary Raidi objectively briefed Mr. Baucus on the great changes that have taken place in Tibet since its peaceful liberation more than 40 years. He said: Tibet is one of the important members of the great family of the Chinese nation. In the course of the development of history, the Tibetan nationality, like other nationalities, has made its contribution to the formation and development of the Chinese nation. Since the peaceful liberation of Tibet in 1951, the people of Tibet have been emancipated to become the masters of their own country. The implementation of regional national autonomy in Tibet has been the choice of the Tibetan people. The party's nationality and religious policies have been earnestly implemented in Tibet. Although the party's nationality and religious policies were disrupted during the Cultural Revolution, they have been reimplemented since the Third Plenary Session of the 11th CPC Central Committee. Now, the people of Tibet enjoy sufficient freedom in religious belief, and the normal religious activities of both monks and laymen are protected by law. In addition, the state has appropriated a large sum of money to restore and repair many religious places. Presently, there are more than 1,400 temples and monasteries in Tibet, and the number of monks and nuns is approaching 40,000, basically enough to meet the needs of believers. Religious believers are satisfied with the implementation of the party's religious policy.

Touching on the issues of the Dalai Lama and immigration, Raidi said: The central authorities' policy toward the Dalai Lama has been consistent. Independence for Tibet will not be accepted; semi-independence or independence in a disguised way will also not be accepted. If he abandons his stand for an independent Tibet, the door to negotiation will always be open. It is hoped that the Dalai Lama ends his exile as soon as possible and returns to the motherland to do something useful to promote prosperity and development in Tibet.

Raidi said: Over the past 40 years great changes have taken place in the social, economic, and cultural life of Tibet. This could not have happened without the selfless assistance from the people of the whole country, especially from the fraternal Han nationality. Some people have alleged that China is sending large numbers of emigrants to Tibet. The allegation is totally groundless. Objectively speaking, Tibet is located on high land. Its weather and other conditions are unsuitable for permanent living by nationalities who have lived on the plains for a long time. Our Han comrades have come here to assist Tibet in developing itself. In addition, population census statistics show that the Han nationality population in Tibet has been declining year after year. On the contrary, the size of the Tibetan national population has increased from 1 million in 1953 to more than 2.2 million at present, accounting for more than 96 percent of the total population in the region. The so-called emigration issue, therefore, does not exist.

Raidi said: The world has different views of Tibet. This is understandable, because many countries do not understand Tibet's past and present. Therefore, I have told many foreign friends that it is better to see once than hear a hundred times. I hope people in foreign countries who are concerned about the Tibetan question will come to Tibet to take a look to try to acquire an objective and fair understanding of Tibet.

(Huokang Suolang Bianba), vice chairman of the regional people's congress standing committee, and (Qi Jia), chairman of the regional external affairs office, were also present during the meeting.

After the meeting, Deputy Secretary Raidi hosted a banquet to welcome Mr. Baucus and his party.

Zou Jiahua Receives U.S. Entrepreneur

OW2508135693 Beijing XINHUA in English 1258 GMT 25 Aug 93

[Text] Beijing, August 25 (XINHUA)—Chinese Vice-Premier Zou Jiahua held a cordial talk here today with James A. Unruh, chairman and chief executive officer of the Unisys Corporation of the United States, on Sino-U.S. co-operation in the electronics industry.

Zou said China's reform and opening policy have not only accelerated development in all fields within China, but have also enhanced co-operation with many foreign countries.

China has a very broad market, which is open to any friendly foreign enterprise or company, Zou said. Foreign investments are especially welcome in China's infrastructure construction.

Unruh said he appreciated the help and support that concerned Chinese departments had given to Unisys. He said many new policies carried out by the Chinese Government in recent years, such as the policy of intellectual property rights protection, were inspiring for Unisys and all the other foreign enterprises investing in China.

Unruh said Unisys has been making efforts to get a more reasonable export control policy from the U.S. Government. He said he believed that his company would make further achievements in its advance into China's markets through close co-operation with concerned departments.

The Unisys Corporation is a leading international computer producer. Since it started co-operation with China in the late 1970s its products has been widely used in finance, economy, communication and many other fields in China.

Before meeting with Zou, Unruh had held talks with Qu Weizhi, Chinese deputy minister of the electronics industry, and Chen Yuan, deputy governor of the People's Bank of China. Unruh is on a two-day goodwill visit to Beijing as guest of the Ministry of the Electronics Industry.

President Clinton's Foreign Policy Assessed

*HK2608062093 Beijing SHIJIE ZHISHI in Chinese
No 15, 1 Aug 93 pp 4, 5*

[Article by Xin Peihe (2946 3099 0678): "Reflections on Clinton's Foreign Policy Sparked by Peter Tarnoff's Statements"]

[Text] The most fundamental pillar is economic security.

"Its own foreign policy style" is still in its formative stages.

Do not forget that the United States is not what it used to be.

The statements by Peter Tarnoff, U.S. undersecretary of state for political affairs, gave at an informal media briefing, stirred up a political storm in Washington between the end of May and June, during which leading U.S. newspapers reported and commented on the statements, and White House and State Department spokespersons—and even Secretary of State Christopher himself—rushed to announce their positions, claiming that the statement did not represent the administration's position.

Tarnoff's statements reportedly sought to defend the administration's vacillating, alternately tough and soft approach toward the problem of Bosnia-Herzegovina.

He said that the United States had chosen to listen to its European allies' views and not insist on lifting the arms embargo on Muslims and the air raids on the Serbian armed forces after careful consideration and searching. He added that the new U.S. policy on dealing with regional crises depended less on intervention and more on multilateral coordination. He stressed that, under the new post-Cold War situation, the United States must first concentrate its energy on solving its domestic economic problems. Given limited U.S. financial and material power, its expenditure must be proportionate to the threat facing U.S. interests. In any case, the present administration has no intention of continuing the degree of leadership in foreign affairs that it had previously assumed. He also stressed that the problem right now is that U.S. allies are still finding it difficult to understand this new U.S. position.

Critics said that Tarnoff's statements weaken the United States' international prestige and make it appear lame. Some even have held him accountable for the statements. But there have also been endorsers. THE NEW YORK TIMES editorializes on 28 May: First, Tarnoff's viewpoint is a "defensible, and even wise, doctrine," and is a "better approach" for U.S. foreign policy in the 1990's, although it must be exercised with flexibility; and, second, it "certainly represents what we see as Clinton's approach, despite all the government's denials." The paper urged the highest U.S. authorities to spell out the Clinton administration's foreign policy in an explicit and systematic fashion.

Tarnoff's address has triggered a debate on U.S. foreign policy. In American newspapers, officials and scholars spoke passionately on problems such as the United States' international role in the post-Cold War era, its status as a superpower or as a power no different from any others, and what the Clinton administration has said and done in its foreign policy.

The Character of Clinton's Foreign Policy

It is safe to say that the Clinton administration has already exhibited its own character and tendencies.

First and foremost is the new administration's central objective of improving the American economy and promoting its economic security—the first, to use Clinton's words, of the three pillars of American foreign policy—in formulating its foreign policy. Even Aspin, secretary of defense, said that, in the long term, U.S. state security relies on a powerful economy, although in the short term, military might is the determinant. The objective that Clinton pursued in his first overseas trip—the Tokyo Group of Seven [G-7] summit—was to create conditions to promote U.S. economic growth and increase employment, and he did achieve breakthroughs in this area. Related to this is his emphasis on using foreign policy to serve domestic goals. For this purpose, Christopher has set up an American Desk in the State Department, whose chief tasks are to "promote the intimate interests and

values of American citizens and help American businesses achieve success in the world economy." The new unit reports directly to Christopher.

Second, the policy of appropriate downscaling or selective interventions in the strategic panorama. This means several things. First, a proper assessment of the U.S. role in world affairs. Madeleine Albright, U.S. permanent ambassador to the UN, puts it very vividly: One, the United States cannot be a global policeman, because the American people would not accept it. Two, it cannot bury its head like an ostrich, because most of the American people understand that the United States is closely tied with the rest of the world. The only option is to look at itself as a partner to the rest, but one with "experience, playing the managerial role, and ranking first among others on an equal footing." Second, it must ~~success~~ more multilateral cooperation and coordination than acting alone; that is what Christopher meant when he said: "In defending its immediate interests, the United States will act alone when necessary." But if "a collective response is in order, the United States will play a leading role in mobilizing and organizing such a response." A specific example was the U.S. refusal to act alone on the problem of Bosnia-Herzegovina, because its impact on U.S. interests was not great enough to ask the American people to pay a price, to get caught up in it, or to get its personnel killed.¹ Third, in putting this multilateral doctrine into practice, the G-7, especially the United States, Japan, and Germany, will be central players. This was why the Clinton administration specifically proposed that Japan and Germany be admitted into the UN Security Council as permanent members. Meanwhile the UN role should be vigorously strengthened, especially the Security Council's peace-keeping role. Of course, this betrays the United States' intention of spreading the cost. This goal has resulted from a combination of the following three realities: A sluggish economy and state fiscal difficulties; the isolationist mood among the people, which leads to the demand of reducing the taxpayers' burdens; and the multipolar development trend and the weakened U.S. hold on its allies.

Third, global issues, and their solutions, have become the main agenda for U.S. foreign policy. These include: Promoting democracy, controlling population growth, environmental protection, preventing the proliferation of weapons of mass destruction, waging war against narcotics and terrorism, providing aid to refugees and immigrants, and so on. The State Department has specifically appointed an undersecretary of state, pending congressional approval, to handle these tasks. It is the Clinton administration's serious concern for the prevention of the proliferation of nuclear weapons that prompted its decision, after repeated consideration and the weighing of pros and cons, to extend the moratorium on nuclear testing for another 15 months, provided no other powers resume nuclear testing.

Fourth, the emergence of elements of power politics and hegemony in U.S. foreign policy. This includes: The

tendency to resort to force when it is in charge of the situation, to impose sanctions and exert pressure under the flimsiest of excuses (particularly in foreign trade policies), and to interfere in other countries' internal affairs using a variety of excuses. Related to this is a strengthening of ideological factors in its foreign policy. Albright said in a recent speech: "American foreign policy will always be formed with a strong ideological sense. This is what distinguishes the United States from other powers." An article in *JEUNE AFRIQUE*, a weekly, pointed out: "It is wrong to think that the Clinton administration does not have a foreign policy. Naturally, the genuine U.S. objective lies in defending American hegemony."

A Foreign Policy Still in the Making

However, this does not entitle us to assert that a foreign policy is in place or there is now a "Clinton foreign policy."

First, because of the tremendous changes in the aftermath of the Cold War and the presence of numerous uncertain factors, it takes time to understand the changes in the international situation. The Clinton administration dislodged the 12-year Republican hold on power. With "reform" in every field as its central platform, it has many heavy tasks; and, as it has been in power for only six months, during which it concentrated on domestic economic and social problems, it therefore has not had the time to fine-tune its foreign policy. The saying of American columnist Jim Hoagland [ji mu huo ge lan 0679 1191 7202 2706 5695] that the Clinton administration "is groping for a foreign policy" makes sense.

Second, Christopher has also said that the new administration's foreign policy would concentrate on the pressing issues left behind by its predecessor, such as averting UN sanctions on Israel, promoting Mideast peace talks, assessing Yeltsin's difficulties, problems with Haitian immigrants, China's most favored nation status [MFN], problems with Iraq, and so on. It was only very recently that the Clinton administration's measures on these issues had begun to be consolidated, which conceivably signals "the beginning of its own foreign policy style." Clinton is beginning to have his own foreign affairs agenda: Promote global economic development, launch preventive diplomacy (preventing crises from progressing to an uncontrollable stage), reorganize global military and economic structures, deal effectively with ties with Russia, China, Germany, and Japan, and take on global issues.

Third, it was not until June that Clinton started taking stock of the lessons and mistakes he had made since he assumed power, restructured the White House staff, and strengthened his relationship with Congress, which enabled his key budget-cutting package to pass the Senate. Before this, Clinton was weak in Congress, a handicap which prevented him from putting his own mark on the administration's foreign policy. Clinton's

biggest diplomatic achievement so far—apart from his recent Tokyo G-7 Summit and trip to Asia—has been his resolute actions of providing aid to Russia and supporting Yeltsin. His comparatively realistic and cautious approach toward China's MFN status has also won praise.

Fourth, to put U.S. foreign policy on a realistic basis in line with the post-Cold War situation, Clinton first must face a grim task on the home front; that is, how to overcome the two biggest psychological hurdles among the American people: First, the so-called "missionary zeal" fostered by history since the founding of the nation—the desire to extend what the American people think as the "most perfect" democratic system and human rights concept to the rest of the world. Teaching the leader of the Western powers in the Cold War and the only post-Cold War superpower to adjust to a multipolar world is no easy matter. As former President Reagan put it: "Clinton's task is to maintain the United States' proud standing while reducing its overseas commitments on a selective basis." Second, the traditional American isolationism fostered by its geographical position and history. Despite the obvious incongruence of isolationism with a world of rapid technological growth, isolationism still has a strong pull on the American people, making them look inward. These two great psychological hurdles will seriously hinder future U.S. foreign policy adjustments. Kissinger puts it very well: To redefine the U.S. role in the post-Cold War world, Clinton needs to identify America's dual impulses—the missionary zeal and the isolationist mood—with its national interests.

Both Clinton and Christopher have stressed looking up to Presidents Truman and Kennedy and State Secretaries Marshall and Acheson as their teachers. Only they should not forget: Their teachers did what they did in response to and under the constraints of the historical conditions at the time, and the United States is no longer what it used to be.

Weekly on U.S. House's 'Ridiculous Hegemony'

HK2608021093 Beijing LIAOWANG in Chinese No 31, 2 Aug 93 p 45

[“International Jottings” by Wei Yan (1792 6056): “Ridiculous Hegemony”]

[Text] Hegemony is always disgusting, whether it is applied interpersonally or internationally. However, people also deem it ridiculous when it is applied excessively, to the point of being comic. A case in point is the resolution vehemently passed by the U.S. House of Representatives opposing Beijing's bid to host the 2,000 Olympics on the grounds of the so-called human rights issue.

When the U.S. House deliberated this matter, the international sport circles gave a strong reaction. The members of the International Olympic Committee [IOC] were

resentful because the Olympic spirit was trampled upon and the sacred independence of IOC was slighted.

For fear that it was involved in the U.S. House move, even the U.S. Olympic Committee also said that it would vote according to its independent will. IOC President Samaranch issued many statements. He still looked "very indignant" when interviewed by SVENSKA DAGBLADET. He said that the United States has the right to make a proposal, but "it has no right to make indiscreet remarks on how the members should vote."

The Olympic movement is a holy movement, free of political disputes and independent of national governments. The peoples of all countries have the right to compete to host it. To select the host country for the year 2000 Olympics, IOC members have made nothing of hardships, and gone hither and thither to conduct inspections because they seriously consider this a major event. People who know how to behave in a delicate situation clearly know that they should not make comments at this moment. As the capital of a developing country, Beijing has its advantages in bidding for the right to host the Olympics which should not be ignored. Naturally, it also leaves something to be desired and has some things worth improving. Other cities also have advantages and disadvantages. IOC members have complete freedom to make comparisons and their selection. No matter which city is selected, it is a matter for the sports circles. Now that the U.S. House of Representatives has meddled in this affair, where has it placed the IOC? Where has it placed the sacred Olympic spirit and principles?

What is the matter with some U.S. congressmen, who have done such an insensible thing? If we say they are thoughtless, that is putting it too strongly. No longer children, the congressmen are all politicians, and reportedly the politicians of a very civilized country. In my view, these gentlemen are hotheaded, as if they had drunk a cup too much of brandy or whisky.

Since the end of the bipolar world pattern, there are two views in the United States. In the view of some people, the long-running Cold War not only has caused the collapse of the Soviet Union but also has weakened the United States. Although the United States still ranks first in the world for the time being in terms of comprehensive national strength, it has shown signs of decline as a result of overspending its national strength. In terms of product competitiveness, labor productivity growth, and certain high technology fields, it has lagged behind some new economic powers. It still has the ambition to seek hegemony, but feels that its ability falls short of its ambitions. Some others hold, however, that following the collapse of the Soviet Union in the two superpowers' contention for hegemony, the United States has become the only superpower. Such being the case, it should, as a matter of course, become the “head” of the globe. Thus, it has become even more hegemonic and thinks it can

do what it likes. Naturally, there are also views somewhere between the two. The numerous political incidents in the United States, and its domestic and external moves have something to do with both views. Externally, it has interfered more unscrupulously in the internal affairs of other countries and has introduced political factors into international economic activities, and now into sports, as well. All this is a manifestation of the latter trend of thought, namely, hegemonism.

As a great man put it, there is no need to bludgeon a dog for sticking up its tail; it is enough to pour a basin of cold water over it. What some U.S. politicians need is just such a basin of cold water. Who knows? They may be preparing a basin of cold water for themselves with what they are doing.

CCTV, Chicago Start Satellite TV in U.S.
OW2608045693 Beijing XINHUA in English 0342
GMT 26 Aug 93

[Text] Beijing, August 26 (XINHUA)—Television crews and businessmen from China and the United States have built up a satellite television station in Chicago, it was announced here today.

The first program of the "AMERICA ASIAN SATELLITE TELEVISION NETWORK" (AATV) is set to be screened this weekend.

A spokesman for the China Central Television Station (CCTV) said that the new station will be run jointly by CCTV, 20 Chinese local TV stations, some big Chinese firms and the Chicago Chinese Communications Corporation (3C Group Enterprises) in the United States.

The programs will cover most parts of North America and parts of South America, on the satellite wave band supplied by Hughes Company.

"It is a new stride for Chinese TV programs to enter the world," the CCTV spokesman said.

AATV will broadcast a 12-hour-program a day, with contents mainly covering Chinese culture, including news, entertainments, sports, economy, films, and TV operas. The programs will be decided and delivered by Chinese TV stations, but edited and dispatched at the 3C Group headquarters in Chicago.

He said that the programs can be received by the KU satellite aerial system (nickname "Small Ears") in North America and relayed through cable or non-cable TV stations.

The 3C Group, inaugurated by Overseas Chinese, runs a big range of business including mass communication, cultural industry and trade. Its affiliated TV station had previously cooperated with CCTV.

CCTV, founded in 1958, stands No. 1 among China's 614 TV stations, holding 800 million viewers nationwide.

Shandong Farmers, U.S. Firm Set Up Hospital

OW2608034293 Beijing XINHUA in English 0332
GMT 26 Aug 93

[Text] Jinan, August 26 (XINHUA)—A hospital built jointly by Chinese farmers and an American company in east China's Shandong Province has succeeded in 200 major surgical operations since it opened to service last September.

Located in the Bashan village, northwest to Boshan Mountains in Zibo city, the hospital was built jointly by the Zibo City Wantongda Company Ltd., which is run by Bashan village, and the Dresher International Inc. of the United States. With a combined investment of 9 million U.S. dollars.

The project was approved by the former Ministry of Foreign Economic Relations and Trade and the Ministry of Public Health.

Facilities in the first construction phase that completed last year included the clinic building and wards with 250 beds and the installation of some advanced medical equipment.

Noted medical experts and doctors from Beijing and Jinan, capital of Shandong Province, have been invited to work full time or part time at the hospital.

When the hospital goes into full operation, it will have 1,000 hospital beds and become a modern comprehensive hospital.

With a population of 1,400, Bashan used to be a poor village with the average annual per capita income standing at less than yuan until 1981 when it began to carry out rural economic reform and set up rural industrial enterprises.

The annual industrial output value of the village exceeded 100 million yuan in the late 1980s and is expected to reach 400 million yuan this year.

The village has also built seven foreign-funded enterprises in addition to the hospital.

Northeast Asia

Reported DPRK 'Diplomats' Held for Money Dealing

SK2608004993 Seoul YONHAP in English 0005 GMT
26 Aug 93

[Text] Beijing, Aug. 25 (YONHAP)—Two men thought to be North Korean diplomats were taken into custody by plain-clothed Chinese Security Officers on Monday [23 August] when they tried to convert some U.S. dollars into the Chinese currency on the black market near Guomao Hotel, according to witnesses.

They said that they believed the men were North Korean Embassy officials because they came in a black car with

the license plate "Beijing 134shi 0072," and "134shi" is the number assigned to the North Korean Embassy.

Four Chinese security officials swooped on them at the moment the two men were about to exchange their dollars for 300,000 yuan (about 45 million South Korean won), the witnesses said.

The North Koreans showed confusion and produced identification cards, but the Chinese officials ignored them and took them away, they said.

It is believed that the North Korean officials were trying to cover the expenses of their embassy by converting money through the black market.

Meanwhile, it is said that a North Korean who had escaped his country recently entered a restaurant run by the North Korean Government, mistakenly believing it to be owned by a Korean-Chinese, and was taken away by two North Korean Embassy officials.

DPRK Selects 31 Aug for Talks With IAEA

*OW2508210493 Beijing XINHUA in English 1605
GMT 25 Aug 93*

[Text] Vienna, August 25 (XINHUA)—The Democratic People's Republic of Korea (DPRK) has given August 31 as a date for consultations with the International Atomic Energy Agency (IAEA) over the inspection of its nuclear installations.

The IAEA's press office said today that DPRK agreed to consult with the IAEA when an inspection group from it was visiting the country on August 3-10, but then it did not give a date.

DPRK turned down a request by the IAEA for a special inspection of its two nuclear installations in March and declared it would withdraw from the Nuclear Non-Proliferation Treaty.

'Roundup' on ROK Economic, Trade Cooperation

OW2608020893 Beijing XINHUA Domestic Service in Chinese 0746 GMT 23 Aug 93

[("Roundup" by XINHUA reporter Tang Shuifu (3282 3055 1381): "PRC-ROK Economic and Trade Cooperation Grows Rapidly"]

[Text] Seoul, 23 Aug (XINHUA)—Since establishing diplomatic relations on 24 August last year, China and the Republic of Korea have experienced rapid development in economic and trade cooperation, thanks to the active efforts of the governments and civil sectors of both countries.

Both China and the ROK are located in increasingly prosperous Northeast Asia. In recent years, after a period of developing nongovernmental trade and investment, economic relations between the two countries have expanded to a situation of standardized bilateral economic exchanges.

China and the ROK began to conduct indirect trade 14 years ago. Direct trade conducted through nongovernmental organizations began in 1988. Since then, progress in nongovernmental economic and trade relations between the two countries has continued, with frequent reciprocal visits and exchanges of nongovernmental delegations. In 1991, the China Association for Advancement of International Trade and the Korean Trade Promotion Association respectively established trade delegation offices in Seoul and Beijing. At the same time, some large Chinese and Korean companies established, one after another, representative offices in the capital of the other party, thus creating conditions for expanding economic and trade exchanges between the two countries.

Since the establishment of diplomatic ties between China and the ROK, both sides have signed governmental trade agreements and investment protection agreements, thus providing protection for the promotion of economic and trade relations between the two countries. According to statistics provided by the Chinese customs authorities, direct trade between the two countries amounted to \$3.24 billion in 1991, an increase of 67 percent over 1990. Direct trade between the two countries reached \$5.06 billion in 1992, an increase of 56 percent over the previous year. The amount includes \$2.437 billion worth of exports from China to Korea, and \$2.623 billion worth of exports from Korea to China. According to statistics provided by the Korean authorities, direct trade between the two countries in the first half of 1993 reached \$4.2 billion, with \$2.4 billion worth of exports from Korea to China, and \$1.8 billion worth of exports from China to Korea. At present, China is the ROK's third largest trade partner, while the ROK is China's seventh largest trade partner. In 1985, Korean enterprises invested in only one project in China, with an investment of \$144,000. By the end of May this year, the ROK Government had approved 632 investment projects in China, with a total investment value of \$632 million. Some projects involve investments of more than \$100 million. China has become the country where Korean enterprises have the most overseas investment projects.

The rapid growth of Sino-Korean economic and trade relations can be attributed to such factors as regional, cultural, and traditional adaptability, as well as to favorable economic conditions. First, China's policy of reform and opening up and its efforts to establish a socialist market economy will enable China to increase its economic strength, continue its development of the market, and improve its investment environment, which in turn create opportunities for the ROK to expand its economic and trade cooperation with China. Secondly, the ROK has an export-oriented economy which greatly depends upon natural resources and the world market. The United States is the largest market for products made in Korea. But the United States, which is experiencing economic stagnation and a trade deficit, exerts protectionist pressure on many countries including the

ROK, limiting the entry of foreign products to its market. Japan, the ROK's second largest market, also adopts many measures to limit its imports. The changing international economic environment and rapid increase of production costs at home force the ROK to seek new markets elsewhere. It just happens that China is a great market full of opportunities and potential. The fact that China and the ROK are mutually complementary in their economy and dependent on their market provides a motive force for strengthening economic and trade cooperation between the two countries.

According to a study report released recently by the Korean Trade Association, bilateral trade (including indirect trade) between China and the ROK is expected to reach more than \$11 billion this year. Investment in China by Korean enterprises will also increase by a great margin. Both China and the ROK are endowed with rich natural resources, ample labor force, and advanced technology and scientific management. If both sides help each other with their own advantages, they will not only accelerate their own economic development but also contribute to the prosperity of Northeast Asia.

Japanese Scholar: Japan Should Respect History

OW2508133093 Beijing XINHUA in English 1248
GMT 25 Aug 93

[Text] Shenyang, August 25 (XINHUA)—History teaching in Japan should not deny the fact that Japanese aggression against China in the 1930s and 1940s caused enormous suffering and losses to China, a historical scholar from Japan said here recently.

Leading a delegation of history scholars and teachers to China, Sato, a Japanese scholar, said in Shenyang, capital city of Liaoning Province, that also in history teaching in schools, it is the conscientious and social duty of every teacher to respect the facts and history. Nobody can deny the war of aggression waged by Japan against China in the 1930-40s, he said.

He said that Japan had assumed the role of an aggressor to China in the half century from 1894 to 1945. The Japanese people should carry out a self-examination and give historical, scientific and fair accounts of the past in order to draw lessons from history.

The Japanese delegation, composed of 20-plus scholars, had discussions with Chinese historians on how to teach school pupils the history of Japan's aggression and occupation of northeast China in the 1930-40s. The scholars came to China at the invitation of the relevant institute of higher education in Liaoning.

Japan waged the war of aggression against China before and during the second world war. In the notorious Nanjing massacre alone, more than 300,000 Chinese citizens and soldiers were killed by the Japanese Army.

Southeast Asia & Pacific

Thai Prime Minister Begins Official Visit

Li Peng Welcomes Chuan

OW2608044193 Beijing XINHUA Domestic Service in Chinese 0238 GMT 26 Aug 93

[Text] Beijing, 26 August (XINHUA)—This morning Premier Li Peng presided over a ceremony to welcome Thai Prime Minister Chuan Likphai, who is on an official goodwill visit to China at the invitation of the Chinese premier.

This is the first time Premier Li Peng has personally received a foreign leader since late June. At 0915 when Prime Minister Chuan arrived by car at the plaza outside the East Gate of the Great Hall of the People, Premier Li Peng, who was dressed in a dark Western suit, stepped forward and shook hands with the Thai prime minister. A young pioneer presented a bouquet of flowers to Prime Minister Chuan.

Soon afterwards, the official welcoming ceremony began. A military band played the national anthems of the two countries amidst a 19-gun salute. Prime Minister Chuan, accompanied by Premier Li, walked over a long red carpet and ascended to the reviewing stand to inspect a guard of honor of the three services of the Chinese People's Liberation Army.

After the ceremony ended, Premier Li Peng had a photo session with Prime Minister Chuan and some 100 Thai entrepreneurs and businessmen accompanying the prime minister on the visit at the stairs leading to the East Gate of the Great Hall of the People.

Attending the welcoming ceremony from the Chinese side were Qian Qichen, vice premier and concurrently foreign minister; Chu Zhuang, vice chairman of the Central Committee of the China Association for Promoting Democracy; Han Shubin, minister of railways; and Liu Jiang, minister of agriculture.

After that, Premier Li and Prime Minister Chuan left for the Diaoyutai State Guesthouse for formal talks.

At the beginning of the talks, Premier Li Peng said that Prime Minister Chuan's current visit to China will serve to strengthen bilateral friendly and cooperative ties, particularly economic and trade cooperation. He added that during the talks, the two sides will exchange views on bilateral relations and issues of common interest.

Earlier, Li Peng was approached by a reporter, who asked about his health condition. "Very good!" Li Peng answered.

Beijing TV Shows Li

OW2608055293 Beijing Central Television Program
One Network in Mandarin 0300 GMT 26 Aug 93

[Announcer-read report from the "News" program]

[Text] [Video shows medium shots of Li Peng shaking hands with Thai Prime Minister Chuan Likphai and other Thai officials; wide shots of Li accompanying Chuan in a review of an honor guard composed of the three services of the Chinese People's Liberation Army; and medium shots of Qian Qichen and other Chinese officials shaking hands with Thai guests]

Chuan Likphai, Prime Minister of the Kingdom of Thailand, arrived in Beijing on 25 August on an official goodwill visit at the invitation of Premier Li Peng. This morning Premier Li Peng presided over a ceremony at the plaza in front of the east gate of the Great Hall of the People to welcome Prime Minister Chuan Likphai and his party. This is the first time Premier Li Peng personally received a foreign guest since late June.

Present at the welcoming ceremony were Qian Qichen, vice premier and minister of foreign affairs; Huang Zhendong, chairman of the Chinese Government's Reception Committee and minister of communications; Chu Zhuang, vice chairman of the Central Committee of the China Association for Promoting Democracy; Han Zhubin, minister of railways; and Liu Jiang, minister of agriculture.

Chuan's entourage were government officials including Amnuai Wirawan and Suphachai Phanichaphak, deputy prime ministers; Prasong Sunsiri, foreign minister; General Wichtit Sukmak, national defense minister; Tharin Nimmanhemin, finance minister; Sawit Phothiwihok, minister attached to the Prime Minister's Office; and more than 200 people from economic, industrial, and commercial circles.

Prime Minister Chuan Likphai is friendly to our country and attaches importance to relations with China. He has visited China more than once. The current visit is his first to China since he became prime minister last September.

After the welcoming ceremony, the two prime ministers held formal talks at the Diaoyutai State Guesthouse.

AFP: Li 'in Good Health'

HK2608042293 Hong Kong AFP in English 0302 GMT
26 Aug 93

[Text] Beijing, Aug 26 (AFP)—Prime Minister Li Peng welcomed his Thai counterpart Chuan Liphai, here on a 10-day visit, at an official ceremony on Tiananmen Square on Thursday [26 August]. Li, who suffers from heart problems and has not been seen in public for two months, appeared slightly suntanned and in good health.

Li and Chuan inspected a guard of honour and stood for the Chinese and Thai national anthems at the open air

welcoming ceremony which took place under blue skies. The two leaders then left the square bound for the Diaoyutai state guest house where they are to hold talks. Chuan arrived late Wednesday for an official visit aimed primarily at strengthening bilateral economic and trade ties. He is accompanied by a large business delegation.

Li last appeared in public on June 24 to meet visiting Australian counterpart Paul Keating. On that occasion, contrary to tradition, the welcoming ceremony took place inside the Great Hall of the People which stands on the west side of Tiananmen Square. Li, 65, looking pale, had to cut short his talks with Keating. The Foreign Ministry said he needed more rest.

He appeared on the front page of Chinese newspapers last week, dressed in a swimsuit on a beach at a resort popular with high government officials. Three days later he was absent from an important meeting on corruption attended by all top officials of the Chinese Communist Party and the government. From Beijing, Chuan will travel to the eastern city of Shanghai, visit the southern special economic zones of Shenzhen and Hainan and the southwestern province of Yunnan.

KYODO: Li Appears 'Somewhat Pale'

OW2608032093 Tokyo KYODO in English 0306 GMT
26 Aug 93

[Text] Beijing, Aug. 26 KYODO—Premier Li Peng appeared in public for the third time in four months Thursday [26 August] amid continuing doubts as to whether the ailing prime minister is healthy enough to lead the world's most populous country.

Li, looking somewhat pale, walked normally and seemed relatively healthy as he met Thai Prime Minister Chuan Likphai on the sunny approach to the Great Hall of the People.

Li, 65, who admitted having a heart ailment when he met Australian Prime Minister Paul Keating during his last public appearance in late June, is believed to have suffered a heart attack in April.

Since then rumors about Li's physical and political health have abounded. The people's government persists in maintaining secrecy concerning the health and state of its leaders.

Li's responsibilities as head of the Chinese Government have been largely taken over by Vice Premier Zhu Rongji, who is overseeing China's economic reform, and three other vice premiers.

It is still unclear when, or if, Li, who is widely disliked by the public for his involvement in crushing pro-democracy demonstrations in 1989, will resume his day to day functions.

The Thai prime minister and his delegation of leading officials are on a 10-day visit, which is expected to center on the improvement of economic and cultural relations between the two countries.

China has been actively courting stronger relations with Southeast Asian nations in what analysts say is an important element of China's post-Cold War foreign policy.

Li Peng, Chuan Hold Talks

OW2608115993 Beijing XINHUA Domestic Service in Chinese 0833 GMT 26 Aug 93

[By reporters Xiu Ju (4423 5468) and Luo Hui (5012 6540)]

[Text] Beijing, 26 Aug (XINHUA)—During his talks with visiting Thai Prime Minister Chuan Likphai this morning, Chinese Premier Li Peng stressed that to develop a good-neighborly relationship with Thailand represents an unwavering policy of the Chinese Government, while Prime Minister Chuan said that Thailand is ready to further enhance ties with China in all fields.

Li Peng said: Sino-Thai relations are very good. Since the establishment of diplomatic relations 18 years ago, bilateral friendly relations of cooperation have grown all around, with frequent exchanges of visits by high-ranking officials. When His Holiness the Patriarch of Thailand visited China for the first time in June this year, he was warmly welcomed by monks and laymen in China. In August, Qiao Shi, chairman of the National People's Congress Standing Committee, successfully visited your country. We are satisfied with the fruitful cooperation between the two countries in the fields of politics, economy, and science and technology, as well as culture. We appreciate the efforts the Thai Government and its prime minister have made to strengthen bilateral relations and cooperation. Li Peng thanked the Thai Parliament and Government for the cordial and solemn welcome accorded to Chairman Qiao Shi.

Li said: The Chinese people cherish friendly sentiments toward the Thai people. To develop a good-neighborly relationship with Thailand represents an unwavering policy of the Chinese Government. We are convinced that with joint efforts, mutually beneficial cooperation will be expanded still further between the two countries.

Prime Minister Chuan recalled with pleasure his meeting with Li Peng several years ago, when Chuan was education minister. He said: China is a good neighbor of Thailand. Thailand is ready to expand cooperation with China in all fields. About 120 leading Thai industrialists and businessmen are accompanying him on the visit, in addition to two deputy prime ministers and several other cabinet ministers. This shows their confidence in China's political and economic situation.

Dwelling on bilateral economic and trade cooperation, Li Peng said that over the past few years Thai businessmen have been active in investing and setting up enterprises in China, many of which are well run. To ensure foreign investors' legitimate interests, China has drawn up a series of laws and regulations as well as preferential policies.

Li Peng said: On the whole, China's economy has enjoyed considerable development, but the growth is uneven in different parts of the country. We hope that Thai entrepreneurs, while investing in China's coastal areas, will go to see and explore areas and cooperation partners in the central and western parts of China, where there is vast potential. The Chinese Government encourages and supports Chinese entrepreneurs who invest in Thailand.

Prime Minister Chuan said: China is a country where there is the largest amount of Thai investment. We hope the Chinese Government will take good care of Thai businesses in China and encourage Chinese enterprises to invest in Thailand, particularly in the field of agricultural produce processing.

On the Cambodia issue, Li Peng said, the situation in that country was relatively stable after the elections there. We welcomed the establishment of the Cambodian national interim government with coordination of all concerned parties in Cambodia under Prince Sihanouk's leadership. As one of the signing countries of the Paris agreement, China supports Prince Sihanouk's efforts to realize the independence, peace, and national reconciliation of Cambodia; and believes that it is necessary to attach importance to and enhance Prince Sihanouk's role under the status quo in Cambodia. Li Peng also said: The final resolution of the Cambodia issue is up to the Cambodian people and no exterior forces should interfere in Cambodia's internal affairs. This way, even if there are some problems inside Cambodia, they can be eased and solved step by step.

Prime Minister Chuan appreciated China's important role in the process of resolving the Cambodian issue and hoped that the Cambodian situation could develop toward the good direction.

Li Peng talked about China's independent foreign policy of peace, stressing that China enjoyed good relations with ASEAN countries and paid much attention to further development of its relations with ASEAN countries.

Premier Li Peng also criticized the "China threat theory" spread by some people. Appreciating China's constructive role in safeguarding peace and stability in Southeast Asia, Prime Minister Chuan pointed out that Thailand and other ASEAN countries paid much attention to China's stand that "China would never seek hegemony even if China is developed in the future," a stand recently expounded by Qian Qichen, Chinese vice premier and foreign minister, in Singapore.

Talking about Beijing's bid to host the Olympic Games in 2000, Chuan Likphai said that Thailand positively supported Beijing's bid for the 2000 Olympic Games. This is not only to show support for a friendly neighbor, but Thailand also views Beijing's bid as a great honor for Asia. He expressed the hope that Beijing would succeed in the bid and in return Li Peng expressed his heartfelt thanks for this.

Chuan invited Premier Li to visit Thailand at a time convenient to him, and Premier Li Peng accepted the invitation with pleasure.

Present at the talks were Qian Qichen, Chinese vice premier and foreign minister; Huang Zhendong, chairman of the Chinese Government Reception Commission and minister of communications; Han Zhubin, minister of railways; and Liu Jiang, minister of agriculture.

Also present at the talks were Amnuai Wirawan and Suphachai Phanitchaphak Thai deputy prime ministers; Prasong Sunsiri, foreign minister; Wicht Sukmak, defense minister; Sawit Phothiwihok, state affairs minister; and Montri Chalichan, Thai ambassador to China.

Before the talks, Li Peng presided over a welcome ceremony for Thai Prime Minister Chuan Likphai and his party. Prime Minister Chuan reviewed a guard of honor of the three services of the Chinese People's Liberation Army, accompanied by Premier Li.

This evening, Premier Li Peng will host a welcome banquet for Prime Minister Chuan and his party at the Diaoyutai State Guesthouse.

Li, Chuan Attend Document Signing

OW2608093993 Beijing XINHUA in English 0858
GMT 26 Aug 93

[Text] Beijing, August 26 (XINHUA)—Chinese Premier Li Peng and visiting Thai Prime Minister Chuan Likphai attended the signing ceremony of three documents between China and Thailand at the Diaoyutai State Guesthouse at noon today.

On behalf of their respective governments, Chinese Vice-Premier and Foreign Minister Qian Qichen and Thai Foreign Minister Prasong Sunsiri signed a treaty between China and Thailand on extradition and an agreement between China and Thailand on mutual establishment of consulates-general in Songkhla and Kunming.

Director of China's National Tourism Administration Liu Yi and Thai Minister of State Affairs Sawit Phothiwihok signed an agreement on tourism cooperation.

According to the treaty on extradition, the contracting parties undertake to extradite to each other persons found in the territory of one of the contracting parties

who are wanted for prosecution, trial or for the imposition or execution of punishment in the territory of the other party for an extraditable offense.

The treaty on extradition is the first of its kind the People's Republic of China has ever signed with another country.

Qiao Shi Views Ties With Chuan

OW2608110893 Beijing XINHUA in English 1035
GMT 26 Aug 93

[Text] Beijing, August 26 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, said here today that there is great potential for Sino-Thai economic cooperation and trade.

He said this while meeting visiting Thai Prime Minister Chuan Likphai at the Great Hall of the People here this afternoon.

Qiao, who recently ended a visit to Thailand, felt very pleased to have the chance to meet Chuan again within a month.

He said he was accorded a warm welcome and reception by the Thai Government and people during his stay in Thailand; especially he had a cordial talk with the king of Thailand and a very good conversation with the prime minister, which he said demonstrated the smooth growth of bilateral relations.

Qiao expressed the belief that the prime minister's current visit to China will give a powerful impetus to Sino-Thai ties, economic cooperation and trade in particular.

He said there is great potential for bilateral economic cooperation and trade. Fostering such relationships conforms to the interests and aspirations of the two peoples.

Chuan congratulated Qiao on his successful visit to Thailand, adding that the visit has further enhanced relations between the parliaments of the two countries.

He said Thailand desires to further expand its cooperation with China in every field. The two sides reached identical views on this during his talks with Premier Li Peng this morning.

During the meeting Qiao Shi briefed Chuan and his party on measures that China has adopted for strengthening macro control in the economic field.

He said preliminary good results have been made after adopting these measures, believing that the results will be better several months later.

Qiao said the NPC Standing Committee is playing an important role in strengthening economic-macro control, adding: "We are willing to learn from all useful experience of foreign countries, including that of Thailand and other ASEAN countries."

Chuan spoke highly of China's achievements and experience in developing its economy, saying that Thailand and China are learning from each other and the former has learned a lot from the latter.

The meeting was held in a cordial and friendly atmosphere.

Qian Qichen Meets Thai Foreign Minister Prasong

*OW2608134093 Beijing XINHUA in English 1315
GMT 26 Aug 93*

[Text] Beijing, August 26 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen held talks with visiting Thai Foreign Minister Prasong here this afternoon.

They exchanged opinions on bilateral relations and regional issues.

Qian said the talks between Chinese Premier Li Peng and Thai Prime Minister Chuan Likphai this morning had gone well, fully testifying to Sino-Thai friendship and mutual trust.

Prasong agreed with Qian, saying that this morning's talks between the two prime ministers had been fruitful.

On bilateral relations, Qian said that China and Thailand enjoy good bilateral relations and the two countries have established relations of mutual trust.

The two foreign ministers agreed that the foreign ministries of both countries should strengthen co-operation and consultation, so as to continuously advance bilateral relations in various fields.

Talking about regional issues, Qian said he appreciated Thai efforts to resolve the Cambodian issue and strengthen regional co-operation, saying the only way to solve the Cambodian issue was to realize overall national reconciliation.

Qian noted that so long as external forces support all parties in Cambodia for the realization of national reconciliation and Prince Sihanouk's important role, and were against civil war, Cambodia's situation would be stabilized gradually.

Prasong said that Thailand and China share many identical views on the Cambodian issue.

The two foreign ministers said they were ready to continue to co-operate in this regard.

Prasong said that Thailand was pleased to notice that relations between the Association of Southeast Asian Countries (ASEAN) and China had been further strengthened.

Prasong added that Thailand does not believe that China represents any threat. On the contrary, Thailand is convinced that China is playing an active role in solving problems in the region.

He noted that furthering co-operation between ASEAN and China will not only benefit the economic development of ASEAN, but also that of the whole Asian-Pacific region.

As Thailand is the current host of ASEAN, Qian wished it every success in performing its duties.

PRC, Thai Officials Sign Cooperation Summary

*OW2608133793 Beijing XINHUA in English 1204
GMT 26 Aug 93*

[Text] Phathaya, Thailand, August 26 (XINHUA)—Thailand and China signed summary record of the 12th session of the joint committee on scientific and technical cooperation here this afternoon.

The summary record was signed by Surin Phitsuwan, Thai deputy foreign minister, and Hui Yongzheng, vice chairman of China's State Science and Technology Commission.

The summary record said that the joint committee reviewed with satisfaction the implementation of the scientific and technical cooperation programs agreed upon at the 11th session of the joint committee.

The joint committee adopted 60 programs of cooperation for 1993- 1994 including exchanging experts of remote sensing technology, agriculture, education, energy, traditional medicine and other areas of mutual interest.

According to the summary, the 13th session of the joint committee will be held in Beijing in March of 1995.

The joint committee on scientific and technical cooperation between the governments of Thailand and China was set up under the agreement of scientific and technical cooperation signed in Beijing on March 31, 1978.

West Europe

'News Analysis' on Task Facing Balladur, Kohl

*OW2608064293 Beijing XINHUA in English 0554
GMT 26 Aug 93*

[News analysis by Sun Mei: "No Easy Job for Balladur, Kohl To Salvage Alliance"]

[Text] Beijing, August 26 (XINHUA)—French Prime Minister Edouard Balladur will hold talks with German Chancellor Helmut Kohl Thursday [26 August] in Bonn on how to keep the Franco-German economic and financial axis alive.

But observers think difficulties are hard to surmount although a complete collapse of the Franco-German alliance is still unlikely.

The three-decade old Franco-German alliance, which is regarded as the axis and motor of the European Community's (EC) integration drive, is meeting challenges ranging from the July-August monetary crisis to differences between Paris and Bonn over policies in the Uruguay Round of talks on the General Agreement on Tariffs and Trade (GATT).

The Franco-German ties strained when France maintained its firm rejection of an EC-U.S. agriculture agreement signed in November 1992 in Washington, which calls for the cutting of EC's subsidized farm exports. France holds that the agreement would drive French farmers out of their farmland, and badly hurt French agriculture.

The Germans, meanwhile, have asked France to be more flexible in terms of the GATT talks so as to let the negotiation to conclude before mid-December this year. The talks are being bogged down in impasse partly because of France's firm stand over farm trade.

The German stand caused a strong reaction from France, who countered that Germans were just as keen to defend their own agricultural interests when they were at risk.

The alliance once more faced crisis in late July and early August due to divergence between Germany and France over monetary policies. Always eager to attract foreign investment in Eastern Germany, the Bundesbank refused to cut its major interest rates.

France, however, wanted Germany to lower its interest rates so that the franc, which was bound up with the mark, could have a freer fluctuation band, which was badly needed to stimulate investment and create jobs in the unemployment-torn French economy.

The result was the biggest showdown in the EC monetary system on August 1, with the finance ministers of 12 EC countries agreeing to let the EC currencies—except mark and the Dutch guild—to fluctuate with a maximum 15 percent rate on either side of the central line of the 14-year-old exchange rate mechanism, instead of the original 2.25 percent.

This also triggered an exchange of blames between Germany and France for the currency crisis. The

German Minister of Economy Guenter Rexrodt said he did not think the German policy of keeping high interest rates had prevented France from resolving its own problems, and that the French should not think low interest rates would necessarily mean an increase in investment.

The French-German disputes do not only threaten their fragile alliance but also impede the success of the building of the European economic and financial union. But both sides would not like to risk distancing themselves from EC's integration construction.

In short-term interests, they are afraid of a collapse of the German-French alliance as the two have grown more economically inter-dependent in recent years. Consequently, they are searching for means for mending their relations on the one hand, and promoting the building of the EC financial and economic union on the other hand.

Leaders in both countries stressed that the German-French alliance is both too strong and too important for either state to let temporary storms blow it off course.

Rene Lasserre, director of the Center for Information and Research on Contemporary Germany in Paris said, "They are like two boats that are so closely tied together that they only go forward when they pull in the same direction."

Though the two sides pledged to work together, the prospects for patching up their differences at the Thursday meeting are not very promising.

When asked about the upcoming Balladur-Kohl talks, the German Finance Minister Klaus Kinkel said, "Neither of us has the reputation for being soft."

Observers predict that although the two sides will seek bridging their differences, they have a long way to go before reaching agreements over specific issues like banking interest rates and GATT talks.

Before leaving for Bonn, Balladur said on Wednesday in Paris that he is still firmly opposed to any unilateral and "unequal" concession by the French side in the GATT talks with the United States.

But he emphasized that the "good entente" in relations between France and Germany is the basis "on which lies the future of Europe."

He also did not forget to mention the Maastricht Treaty which predicts the start of the building of the European economic and monetary union on January 1, 1994.

Political & Social

Official Explains Stand on Illegal Emigration

CM2608114493 Beijing XINHUA Domestic Service in Chinese 0412 GMT 26 Aug

[Text] Beijing, 26 Aug (XINHUA) -- A leading official at the Ministry of Public Security said here today that the Chinese Government has always opposed illegal emigration and worked hard to stop it.

The official, in an interview with XINHUA, expressed the hope that the countries involved will cooperate with China to resolve the problem.

The official said that so far this year, Chinese police have cracked about 30 cases involving about 1,000 people trying to emigrate illegally by boat, and have also received some illegal emigrants expatriated by foreign governments.

Public security bodies in the country's relevant areas are taking effective measures to crack down on illegal emigration. The campaign is targeted against organizers of such activities, or "snakeheads" as they are called locally, the official said.

The situation of the first six months this year shows that most of the cases occurred in coastal areas in Fujian, Zhejiang, and Guangdong Provinces, where the local economy has grown fast and people are having a good life.

But some people in these areas were lured and cheated by "snakeheads" into believing that in foreign countries they could accumulate quick fortunes.

The official said that some local cadres had the mistaken idea that because emigration of local people had gone on for centuries and that China was now following the policy of opening up to the world, letting a few people go abroad by whatever means would do no harm to the local economy.

China's coastline is long, said the official, and there are loopholes in the control of vessels, leaving opportunities to "snakeheads" who reap huge profits by cheating people into paying them for illegal trips they organize in collusion with criminal gangs outside China.

The official said that Chinese police have identified some 50 people outside China as suspected organizers of illegal group trips of Chinese citizens, and these "foreign snakeheads" are still at large.

"China's public security organs hope to establish, with the foreign countries concerned, ways of regularly exchanging information and opinions on the problem," said the official. "We also hope that these countries will intensify investigation and cracking down on gangs and 'snakeheads' of their own."

"We hope to stop these criminal activities by stepping up bilateral cooperation," he stressed.

The official called attention to the fact that once in foreign countries, some Chinese illegal emigrants, instigated by their "snakeheads," concocted tales to ask for "political asylum" or "protection."

He cited repatriation on May 15 this year of some 300 Chinese from Mexico. In the process, U.S. authorities demanded that three so-called "political asylum seekers" should be taken away, and this caused repeated delays of the plane.

"Acts like this have encouraged illegal emigration of Chinese citizens," said the official.

The Chinese Government, he said, does not want to see its citizens suffer huge financial losses in paying for their illegal trips to foreign countries, where they have no means to earn a living and risk the danger of arrest.

Nor does the Chinese Government want to see these people forced by life to do indecent things or commit criminal offenses that disrupt the order of the countries where they are illegally staying, he said.

The Chinese Government, he said, has always been conscientious in handling the repatriation of illegal emigrants. Once a person is identified as a Chinese citizen, the state is willing to promptly cooperate with the country concerned to receive and get him or her back. It is hoped that relevant countries will actively coordinate with the Chinese so that we can work together to stop illegal emigration.

Reportage on Case of Dissident Han Dongfang

Han's Activities Examined

HK2608053093 Hong Kong TA KUNG PAO in Chinese 26 Aug 93 p 7

[Article by Chao Yang (2600 7122): "What Sort of Person Is 'Chinese Walesa'?"]

[Text] A popular saying goes: "A family has its rules and a state has its laws." China's Exit and Entry Management Bureau announced that the passport of Han Dongfang, who was not allowed to enter China recently, was invalid because he engaged in activities which opposed the Chinese Government outside the country. In other words, Han's words and deeds during his trip to "seek medical treatment" in the United States violated China's Constitution and "National Security Law."

Article 54 of the PRC Constitution stipulates: "It is the duty of citizens of the PRC to safeguard the security, honor, and interests of the motherland; they must not commit acts detrimental to the security, honor, and interests of the motherland." The "PRC National Security Law" adopted by the 30th meeting of the Seventh National People's Congress Standing Committee in February 1993 also stipulates in the first paragraph of Article 3 that: "It is the duty of PRC citizens to safeguard national security, honor, and interests; they must not

commit acts detrimental to national security, honor, and interests." Article 4 of the "National Security Law" also specifies: "Acts detrimental to national security referred to in this law include acts detrimental to the PRC national security committed by institutions, organizations, and individuals outside PRC territory, or committed by other people instructed and financed by them, or committed by people inside PRC territory in collaboration with external institutions, organizations, and individuals...." The action taken by the authorities concerned against Han Dongfang was in line with China's laws and has legal grounds.

The fact that Han Dongfang was allowed to seek medical treatment in the United States fully showed China's leniency toward him. Before going abroad, he promised that he would not engage in activities which violated the Constitution and harmed the national interests. However, as soon as he crossed the border, he completely went back on his word. On 1 September last year, he came to Hong Kong from Guangzhou by through train and Lau Chin-shek, executive committee member of the Hong Kong Alliance in Support of the Patriotic and Democratic Movement in China, met him at the railway station and gave him flowers. Han felt extremely flattered, and immediately said that the Chinese Government allowed him to seek medical treatment abroad because of "external pressure" and "they were trying to create a relaxed surface atmosphere but were tightening control internally."

In the United States, Han became bolder. When President Clinton asked him how to deal with the issue of China's most-favored-nation status, Han answered: Apart from attaching the human rights conditions, China should also be required to allow "freedom of association." Thus, "more things can be done for promoting democracy" in mainland China. Han even said that the United States should exert pressure on China and require China to "allow the Chinese workers to organize their independent trade unions."

In June this year, Han Dongfang went to Europe and made a speech at the Vienna International Human Rights Conference, acting illegally in his capacity as "Chinese nonofficial representative." In it, he attacked the Chinese Government. In addition, he acted illegally at the International Labor Organization in Geneva in his capacity as "representative of China's free trade unions." Recently, Han Dongfang carried out activities in Hong Kong in accordance with someone else's arrangements and the executive committee members of the Alliance in Support of China's Patriotic and Democratic Movement always accompanied him. Without the manipulation and financial help from some anti-China and anticommunist forces in the West, how could Han Dongfang travel around the world? Why do not people now question the purpose of his sudden move to return to China?

China acts according to its own laws and no others have the right to interfere. China is not Poland. Reagan and

the Pope could easily plot the scheme of using Walesa to subvert the Polish Government but the hostile forces in the West and their followers will never succeed in using Han Dongfang, their "Chinese Walesa," to create trouble in China.

Handling of Case Defended

HK2608020093 Hong Kong HSIANG KANG SHANG PAO in Chinese 25 Aug 93 p 9

[Article by Lin Ta-long (2651 1129 2597): "Han Dongfang's Words and Deeds"]

Han Dongfang shed tears before the television audience. His passport had been pronounced null and void, and he had been refused entry into China. This is why he cried. Every day, several hundred, at least, and several thousand, at most, Chinese and foreign travelers freely pass through various checkpoints in China without let or hindrance. Only Han Dongfang has had a different experience. His passport has been canceled and he cannot enter the country. What is the reason? Han Dongfang himself is the one who best knows the answer to this question.

Han Dongfang received a sentence because he had violated the law. As he was ill, he was let out on bail to receive medical treatment, and was allowed to go to the United States to treat his lung disease. Judging from this, the relevant department on the mainland was quite "humane" toward him and paid a great deal of attention to his "human rights." Before leaving for the United States to receive medical treatment, he assured the relevant department on the mainland that after leaving the country, he would not again engage in activities that violate the country's Constitution and jeopardize its interests.

He arrived in the United States last September. In April this year, Han Dongfang topped the list of those to receive certificates of merit as "fighters for democracy." The certificates were issued by the "U.S. National Democracy Foundation." The foundation uses "democracy" as a banner to support the "democracy fighters" of various countries in opposing their own governments. President Clinton, who was there to attend the award ceremony, eagerly shook hand with Han Dongfang three times, and expressed admiration for Han Dongfang's "courage" in establishing the "independent and free trade union" on the mainland. Clinton congratulated Han Dongfang face to face for "winning the democracy award," and encouraged him to continue the hard work.

On that occasion in April, Clinton still had a month or so to decide whether to attach conditions to China's most-favored-nation [MFN] trading status. Han Dongfang grasped the rare opportunity of the meeting with Clinton, who praised him, to ask Clinton to attach conditions to China's MFN status. Apart from "human rights conditions," the United States also should exert pressure on China and ask it to permit "freedom of association" and promise that "Chinese workers may

establish their own independent trade unions," so "more can be done to promote democracy" in mainland China.

After listening to Han Dongfang's "words, which come from the bottom of his heart," Clinton stepped forward again, eagerly shook hands with him, and said: "Thank you for your suggestion; I will do my best."

Is it not true that Han Dongfang, a Chinese citizen with a Chinese passport, went to the United States to treat his lung disease? Is it not true that before he left the country he guaranteed "not to engage any more in activities that violate the country's Constitution and jeopardize its interests?"

Han Dongfang, a Chinese citizen with a Chinese passport, openly asked the U.S. President to impose sanctions on and to subdue his own country. He ignored the interests of the country and dignity of the nation, and his words and deeds indicated that he already had degenerated into a "political instrument" used by the anti-China forces in the West, a person who betrayed "the country's interests."

In June, Han Dongfang, who had left for the United States for medical treatment, flew across the Atlantic Ocean to Vienna, to participate in the international human rights conference in the capacity of so-called "representative of the nongovernmental sector in China." Thereafter, he left Vienna for Geneva, to participate in the Conference of the International Labor Organization in the name of "representative of the free trade union in China." His two "representative" statuses were unlawful. At these two meetings, he made speeches attacking China's "human rights conditions," saying that Chinese workers had "lost freedom" and "had no democracy."

Han Dongfang had a rich supply of money to carry out activities from America to Europe, and his energy in those activities was great. He was sucked into the anti-China current, and served as a disgraced "pawn." This fact is there for all the world to see.

China's Constitution stipulates that Chinese citizens "must not jeopardize the interests of the state, society, and collectives when enjoying their freedom and rights..."; that Chinese citizens "must abide by the Constitution and law, and keep secrets for the country"; and that Chinese citizens "have the obligation to safeguard the security, honor, and interests of the country, and must not behave in a way that will harm the security, honor, and interests of the country."

When Han Dongfang's words and deeds are compared with the regulations of the country's Constitution it becomes easily discernible that Han Dongfang is an illegal element. Han Dongfang first must face what he has done and said himself. Shedding "crocodile tears" will not help wash away the words and deeds that have jeopardized the interests of the country.

U.S., UK Stance Criticized

HK2608084993 Hong Kong TA KUNG PAO in Chinese
26 Aug 93 p 12

["Special article" by Hung Yen-sheng (3163 3508 3932): "Behind the 'Lofty Stance' of the United States and Great Britain"]

[Text] After Han Dongfang's passport was revoked by China, the United States and Britain in turn made very quick responses, which has rarely happened in the past. Some people in Hong Kong's theoretical circles were much "surprised" at the high stance they took. However, those who always regard overthrowing the Chinese Government as their mission believed that it was another rare opportunity for them. For this reason, they have made great efforts to whip up opinion in order to mislead the public and add fuel to the fire. They arbitrarily asserted that Han Dongfang's case is a pure human rights issue. What, then, are the facts?

Han Dongfang's Case Has Nothing To Do With Human Rights

Under the high stance of the United States, Britain, and the Hong Kong Government, and the clamoring of certain Hong Kong people, the kind-hearted people here may also have believed that Han Dongfang's case is merely a question concerning the free entry and exit of a Chinese citizen. They never suspected that there was something else behind it. It was also the purpose of the troublemakers, including Han Dongfang, to give people such a false impression.

Han Dongfang went to the United States via Hong Kong on 1 September last year, and on 13 August this year, he entered the Chinese mainland from the United States via Hong Kong. Less than a year's time passed between his departure and return. This time, he did not hesitate to leave his wife and children and decided to return to China alone. Obviously, he was not returning for family or other private reasons. What was his real motive? As a matter of fact, Han Dongfang himself revealed some of his intentions earlier.

When he was in Hong Kong last year, he declared: One year later, I will "return to the mainland and continue to promote the democratic movement." During his stay in the United States, he continued to join activities aimed at jeopardizing China. A typical example is that he offered his personal advice to U.S. President Clinton and suggested that the United States impose additional conditions on China's MFN status and "put forth some new and concrete issues to the Chinese Government" in order to interfere in China's internal affairs. This time in Hong Kong he also said that he was returning to the mainland to fulfill his commitments made last year. Moreover, he said, "trade union organizations cannot be stopped." Obviously, Han Dongfang intended to return to the mainland to continue his lawbreaking activities.

Besides, we cannot rule out the possibility that Han Dongfang's return has something to do with the attempts of the United States and other Western countries to obstruct China's efforts for hosting the 2000 Olympic Games. Han once said that if Beijing could not succeed in hosting the Olympic Games, he might become a target of attack. The more he tried to hide, the more he was exposed. This shows more clearly that apart from "fulfilling commitments" and "promoting the democratic movement," his hasty return to the mainland in as little as one year after his departure also has something to do with the Olympic issue, as he has chosen a time when the International Olympic Committee will soon discuss the question of which country to host the 2000 Olympic Games!

Therefore, it is not hard to understand that whether he is able to enter the mainland or go to Beijing, he will surely create troubles for China. His frequent performances in Hong Kong after being refused admission to Beijing have also proven this. The relevant Chinese department has revoked Han's passport according to the law. This is only a measure against his activities, which have endangered China. It has nothing to do with human rights.

Han has spared no effort to serve the policies of foreign countries. By so doing, he has not only damaged the national dignity but also discarded his personal integrity. He said: "I have no alternative but to be used by others, just like a pawn on the chessboard." People can see from this the deplorable state of the anti-China cat's-paws of the Western countries.

Why Have the United States and Great Britain Adopted a High Stance

After the relevant Chinese department revoked Han Dongfang's passport, the United States and Britain made a very quick response, and they made the quick response in such a way as to attract more attention. Britain dealt with it through diplomatic channels, which was rare in the past. When meeting with Chinese Ambassador Ma Yuzhen, Alastair Goodlad, British foreign office minister with special responsibility for Hong Kong, "particularly proposed to discuss Han Dongfang's case." This even "made the British Parliament feel astonished." On the other hand, David Ford has also made use of the subject to exaggerate the matter, saying that "freedom of action is extremely important to the people of Hong Kong in the future" and that "any proposal which may result in not realizing the freedom of entering and leaving Hong Kong in the future will bring about great misgivings to the Hong Kong citizens."

They have also resorted to demagogic, hinting that this case will affect the Hong Kong people's entry into and exit from Hong Kong in the future. A spokesman of the U.S. State Department directly pointed out that "the Chinese Government has violated Article 13 of the International Human Rights Convention" and declared that when considering China's MFN status next year,

"the secretary of state will submit a report to the President," in which such cases will be very carefully assessed.

It is no surprise that they have adopted such a high stance to interfere in the Han Dongfang case. After the disintegration of the Soviet Union, some people in the United States who wanted to rule over the world were unable to restrain their soaring hegemonic ambitions. Naturally, China, which always advocates peace and equality among all nations, became a thorn in their flesh. They have taken all kinds of measures against China, not allowing any opportunities to slip which might bring troubles to China, so that they might overthrow the Chinese Government. It is natural that they are dreaming about the collapse of China, just as what has happened in the former Soviet Union. All their practices, such as advocating abolishing China's MFN status, demanding that the International Olympic Committee follow their so-called human rights criteria and prevent China from hosting the 2000 games, fabricating the story that the Chinese vessel Yinhe was carrying devices for making chemical weapons to Iran, criticizing China for exporting missile technology to Pakistan merely based on rumors and threatening to impose economic sanctions on China for this, and saying that Han Dongfang is "China's Walesa" and making a rarely seen quick response to the current Han Dongfang case, were all out of the same mentality as mentioned above. As to the British response, it is not hard to understand either. Apart from its usual practice in aping the United States at every step, it is trying to continue to sow discord between the Hong Kong people and the mainland and bring pressure to bear on China, and also to gain extra advantage in the current Sino-British talks.

Can the wishful thinking of some people in the West be realized? Will China obediently dance to their baton? In fact, there is a ready answer to these questions and there is no doubt about it. Those people are stubbornly sticking to their stand though they understand very well they are making a futile effort. So let them be.

Issue, Post-1997 Freedoms Differentiated

HK2608012893 Hong Kong TA KUNG PAO in Chinese
25 Aug 93 p 9

[Article by Kuan Chao (7070 2507): "Han Dongfang's Coming and Going Is a Farce"]

[Text] Recently, quite a few people have been talking about the news concerning mainland resident Han Dongfang, who was refused return to China and whose passport was revoked. Some people even linked this event with the Hong Kong people's right of abode and freedom to enter and exit the territory after 1997. This is something that merits our attention and must be clarified.

First, the Hong Kong people actually know very little about who Han Dongfang is and what on earth is the background of his leaving and returning to China. Even those who have talked bombastically in the past few days

may not have known the details of the affair. Under these circumstances, some people took advantage of the Hong Kong people's "ignorance" and weak state of mind to create the horrors of 1997 again.

Speaking briefly, Han Dongfang was the leader of the Beijing Autonomous Workers Union during the period of 4 June 1989; he was imprisoned, but later allowed to receive medical treatment on bail. He asked for permission to go to the United States and pledged that he would not engage in anti-Chinese activities abroad. On this basis, the Chinese Government issued a passport to him and let him leave the country. Afterward, he participated in activities including the "Human Rights Hearing," at which he "produced evidence" that China gave no thought to human rights, and he called for the United States to impose sanctions on China.

Do these acts performed by Han Dongfang abroad violate the Chinese law after all? Does the Chinese Government go against a citizen's rights for refusing to allow him to return to China? The Chinese Government should have sufficient information and evidence in hand to support the decision on rejecting Han's request to return to China. If such be the case, the Chinese Government might as well and should make more detailed explanations to the outside, lest some people make use of the subject as a pretext to kick up a fuss.

In fact, why would Han Dongfang go to the United States? Why would he return to China at this moment? It is clear enough, and anyone with the slightest political common sense can make this judgment: This is a planned and well-arranged political farce. The Americans invited Han to leave the country, let him participate in some public activities in the United States, then sent him back at an "appropriate moment" to put on a farce of "being refused entry into his own country," so that he will act as a pawn for some U.S. "human rights heroes" in their activities to oppose China's application to sponsor the Olympic Games and to impose other sorts of sanctions on China.

The event of Han Dongfang being denied entry into China and the event of Shen Tong "breaking into a check point" not long ago are cut from exactly the same cloth. Such "excellent performances" should be put on the stage, and such actors should show up to play their parts every now and then. Otherwise, why would the Americans use so much money to feed these "elites in exile" for nothing? As a matter of fact, the Chinese Government need not take "these lackeys" seriously. It will be better if they do not return to stir up trouble, but if they do, the government may act upon them in accordance with the law.

It is ridiculous that some people have gone so far as to avail themselves of the Han Dongfang event to "lead away a goat in passing," and even Hong Kong Acting Governor David Ford also said openly: "Anything that may lead to thinking that such freedom (referring to the

right of abode and freedom to enter and exit the territory) will no longer exist after 1997 will bring great anxiety to the Hong Kong people." In fact, Ford and others may rest assured that only a small handful of the Chinese and Hong Kong people are willing to serve as the pawns of foreigners like Shen Tong and Han Dongfang.

Deng's Rival Chen Yun Reportedly Gaining Upper Hand

HK2608092293 Hong Kong AFP in English 0844 GMT 26 Aug 93

[Text] Beijing, Aug 26 (AFP)—Chen Yun, the rival of Chinese patriarch Deng Xiaoping, has gained the upper hand in influencing national policy, according to an official newspaper seen here Thursday.

Chen, an advocate of a more cautious pace of development, submitted 10 proposals to the communist party and government leadership on a wide range of issues, the Director and Manager's Daily [CHANGZHANG JINGLI RIBAO] said. The proposals, made in a letter written around January, were basically a blueprint for China's current policy.

The paper reported the previously undisclosed proposals along with internally distributed statements by Deng and two other elder statesmen, Peng Zhen and Wan Li.

It showed that the four leaders were deeply concerned that public opinion was threatening to topple the party, largely because of corruption. Deng, however, was more worried that China's nearly 1.2 billion people would grow unruly unless their standard of living was raised, the paper said.

"Some neighboring countries and regions are developing faster than us. If we don't develop or develop too slowly, there will be problems if people compare," Deng was quoted as saying in January during his last public appearance. But amid an offensive to halt disorder sparked by breakneck growth, it was clear that Chen's suggestion to cool off the economy was being listened to.

He called for reining in credit and speculation on real estate and stocks, while putting more stress on public works projects, including transportation and energy, the paper said. Chen also came out against allowing the privatization or foreign control of major road, rail, aviation, harbor, and mining projects.

Chen, 88, an authoritative economist within the party, played a significant role in forming policy in the years after the communist revolution in 1949. He last appeared in January, but wields considerable influence.

Daily Carries Editorial on Anticorruption Struggle
OW2508160093 Beijing XINHUA Domestic Service in Chinese 1247 GMT 25 Aug 93

[Text] Beijing, 25 Aug (XINHUA)—The 26 August edition of RENMIN RIBAO carries an editorial entitled "Firmly Launch the Anticorruption Struggle." Its full text reads as follows:

The Second Plenary Session of the CPC Central Committee Discipline Inspection Commission closed victoriously.

The meeting comprehensively analyzed the anticorruption situation; put forth anticorruption ideas, measures, and assignments under the new situation; and it made specific arrangements for the fight against corruption. General Secretary Jiang Zemin gave an important speech at the meeting. With Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as guidance, and adhering to the party's basic line as well as following the principle laid down by the 14th party congress, he incisively expounded the great significance in the anticorruption struggle, as well as the principles that should be followed. It was a greatly influential meeting in our history about improving party conduct and ethical construction. It was an inspiring and morale-boosting meeting that has won the support of all party members and the people.

Intensifying the anticorruption struggle is important for building a stronger party and government. It is the spirit of upholding the four cardinal principles; it is crucial for successful reform, opening up, and economic construction; and it is absolutely essential for fully implementing the party's basic line and consolidating and developing the current gratifying situation. While we Chinese people are now proceeding victoriously along the road of building socialism with Chinese characteristics, we must be soberly aware that negative and corrupt phenomena do exist in our party and government organs and among public functionaries, and that certain phenomena are also growing and spreading. If these phenomena are allowed to spread unchecked, it is possible that they will ruin our party, our people's political power, and our great socialist modernization endeavor. Leading comrades of party and government organizations at all levels must fully understand the seriousness and danger of corruption and regard the anticorruption struggle as a major political mission that must be firmly accomplished. In the near future, we must give priority to accomplishing three projects: Intensifying supervision over and inspection of the cleanliness and self-discipline of leading cadres of all party and government organs; concentrating efforts on investigating and handling a large number of major cases; and firmly stopping certain unhealthy practices that the masses resent strongly. In conjunction with their actual situations, all localities and departments must strengthen their leadership and exert

real efforts to fight corruption, making sure that noticeable, periodic achievements can be achieved within a short time so that we can establish our credibility among people.

Thought is the forerunner of action. All party comrades must follow Comrade Jiang Zemin's request and restudy Comrade Deng Xiaoping's important expositions on the need to improve party conduct, intensify ethical construction, and combat corruption. Ever since the adoption of the reform and open policy, Comrade Deng Xiaoping has time and again sharply pointed out the harmful effects of corruption, scientifically analyzed the cause of corruption, and clearly set fundamental principles for fighting corruption. During the course of study, we must pay special attention to the need to comprehend and grasp the viewpoint that we must fight corruption throughout the course of reform and opening up; the viewpoint that we must firmly promote ethical and material construction at the same time; the viewpoint that socialism with Chinese characteristics is one in which both material and spiritual construction are successfully carried out; the viewpoint that exhorting the spirit of building an enterprise through arduous efforts can help combat corruption; the viewpoint that improving party conduct is essential for improving social behavior and senior cadres must take the lead in this regard; and the viewpoint that ethical construction must count on education, especially on laws. These expositions are an important part of the theory on building socialism with Chinese characteristics, and they are a powerful ideological weapon for winning the anti-corruption struggle. During the course of study, we must have specific objects in mind and apply what we have studied so that we can effectively deal with certain ideological issues. We must especially combat the thinking that the anticorruption struggle is incompatible with developing the economy, carrying out reform, and opening to the outside world. During the course of study, all party members must unify their thinking with the party's theories, lines, and decisions so that the anticorruption struggle can focus on economic construction and serve the cause of expediting reform, construction, and development.

In the fight against corruption, leading cadres at all levels must set an example, taking the lead in becoming honest and observing discipline. They must be selfless and fearless, daring to take matters into their own hands. Leading cadres should understand that individual honesty is not only a personal matter, but also closely connected to party and government prestige. In this way, they should greatly raise their consciousness of becoming honest and observing self-discipline. It is necessary to implement to the letter the Central Committee's requirement for party and government leading cadres at all levels to be honest and observe self-discipline. Only by becoming honest first can leading cadres have the right to make statements and seize the initiative in the struggle against corruption. In addition, leading cadres should also, for the sake of the public interest, overcome the

mentality of being indifferent [lao hao ren 5071 1170 0086], boldly take up responsibility, and boldly lead the masses of cadres and people in their struggle against corruption. It is necessary to overcome the phenomenon in which one says a lot but does little, or says something without doing anything, or takes a laissez-faire attitude toward passive and corrupt conduct. It is necessary to overcome the phenomenon in which one fears difficulties and relaxes one's efforts, adopts an indulgent attitude toward wrongdoing, and becomes too lenient or soft in enforcing discipline and laws. It is a crime against the party and the people not to do anything about corruption, to be soft or kind to corrupt elements, or even to shield them and wink at their wrongdoings.

The anticorruption struggle must be launched under the unified leadership of party committees. The party and government should attend to the struggle together, and the principal leading comrades should be personally responsible for the struggle. It is necessary to give play to specialized organs such as the discipline inspection and supervisory organs, judicial departments, and administrative and law enforcement departments. Moreover, it is necessary to do a good job in arranging coordination among them to give play to their role as a whole. It is necessary here to particularly emphasize that the fight against corruption must closely depend on the masses. The masses bitterly hate corruption because they have seen enough of it. They have been expecting the party and the government to launch a determined struggle against corruption. The masses' strong demands are identical to the guiding principles of the party and government. They constitute the deep foundation and basic guarantees for winning in the struggle against corruption. We should pay attention to guiding the masses' enthusiasm for the fight against corruption, protecting and enhancing it further to ensure that the anticorruption struggle proceeds in a healthy and orderly manner.

In the struggle against corruption, we should uphold the principle of seeking truth from facts, correctly distinguish between the two types of contradictions differing in nature, and thoroughly master policies. We will not launch any mass movement to ensure everyone passes a test. We should handle cases according to the law, and in handling cases that violate law and discipline, we must make thorough investigations, relying on evidence and making discipline and laws the yardstick with which to measure offenses. We should dismiss those who deserve it, mete out sentences to those who deserve them, and mete out severe sentences to those deserve them. Those who attempt to seriously interfere with and obstruct the investigation of cases must be resolutely handled. Meanwhile, we should make great efforts to support a healthy atmosphere, publicize and commend advanced models who are honest in serving the public and who are bold in fighting corruption, and carry forward the new practices of being industrious in carrying out official duties, cherishing the people, working hard, and being happy in making sacrifices.

Corruption is a historical phenomenon and is also a universal phenomenon. The CPC is a party serving the people's interests wholeheartedly. The line adopted by our party is correct; the party's mainstream is good; and the majority of party members and cadres are honest in serving the public. The fact that the party opposes corruption in a clear-cut manner shows that it is powerful and confident. In the 15 years of reform and opening to the outside world, while taking economic construction as the central task, the party Central Committee has consistently attached importance to improving the party work style and building a clean government. It has adopted a series of measures to push forward the work of punishing corruption and promoting clean government. Taking advantage of the Second Plenary Session of the Central Discipline Inspection Commission, comrades of the whole party and people of the whole country will rally more closely round the party Central Committee with Comrade Jiang Zemin as the core and deepen the anticorruption struggle to push forward the work of improving the party's work style and building a clean government. Our great undertaking of building socialism with Chinese characteristics will certainly win still greater victories!

Commentary Praises Government Crackdown on Smuggling

HK2608030693 Beijing CHINA DAILY in English 26 Aug 93 p 4

[“China Daily Commentary” from the “Opinion” page: “Crackdown on Smuggling”]

[Text] Smuggling is growing rampant along China's coastal and border areas.

The number of smuggling cases has risen steadily since the mid-1980s.

Customs officials, police and frontier guards foiled 2,503 smuggling cases in 1992. Goods worth 1.5 billion yuan (\$260 million) were seized.

In the first five months of this year, smuggled goods worth 1.05 billion yuan (\$181 million) were seized—a big increase on the previous year.

A national working conference was held in Beijing earlier this month to discuss how to tackle this growing crime problem.

The variety of goods smuggled has increased from items like cigarettes and household electric appliances to cars and mini vans.

President Jiang Zemin commented, “It has done great harm to the State and the people, to the reform and economic development of the country.”

Smuggling is a temptation because of the huge amounts of money being made.

What should arouse serious concern is the fact that some people and even institutions under local authorities are not fully aware of the danger and harm the rampant smuggling has brought to the country.

Smuggling not only is a serious economic crime causing losses to the State's coffers. It is also a hotbed of corruption.

Local government officials should realize the long-term damage smuggling does to their local interests and to those of the nation as a whole.

To effectively combat smuggling, all government officials need to recognize the evil nature of this crime.

As a means for dealing with the problem, the Customs Law and the Supplementary Regulations on Punishing Smuggling were adopted by the Standing Committee of the National People's Congress.

However, too often relevant laws and regulations are not strictly carried out; in some cases they are simply ignored.

Government efforts to crack down on smuggling can hardly achieve their desired effect if this situation is allowed to continue.

All smugglers should be punished according to the law.

It would be wrong for local authority officials to connive at smuggling with the units under them, especially the law-enforcing agencies.

Otherwise, they will have to account for it themselves.

The strengthening of forces both at national and local levels in the crackdown on smuggling is helping the government's effort.

They need the best equipment to assist in catching law breakers.

Wrongdoers in their ranks should be weeded out.

The national conference showed that top State leaders are not only fully aware of the smuggling problem.

They are also determined to take resolute steps to fight it.

Smuggling can only be effectively curbed by tough measures.

NPC Discusses Draft Amendment to Income Tax Law

OW2508141293 Beijing XINHUA in English 1346
GMT 25 Aug 93

[Text] Beijing, August 25 (XINHUA)—Chinese citizens must expect to be taxed on profits from securities and real estate transactions.

This is stipulated in a draft amendment to the individual income tax law that is to be examined by the Standing

Committee of the Eighth National People's Congress (NPC) in its third session, which opened here today.

The other two newly added taxable items in the draft amendment include windfalls from various kinds of lottery-related activities and gains of farmers from non-agricultural sectors.

According to the amendment, tax exemption will be given for prizes granted by provincial government, ministerial departments and international organizations for science, education, technology, health and sports.

Interest on state treasury bonds will not be taxed.

The state will pay special attention to taxation of foreign experts working in China. To basically maintain their tax level, the amendment stipulates that additional reduction of expenses may be decided according to their average income, living standards and changes in the RMB [renminbi] exchange rate. The scope of definition of foreign experts and reduction of expenses will be decided by the State Council.

The current individual income tax law was issued in 1980. According to this law, individuals with monthly incomes exceeding 800 yuan should be taxed.

The amendment, which has drawn on foreign practices, suggests that focus of taxation will be put on those who get higher incomes. It distinguishes between two kinds of tax payers—residents and non-residents.

Jiangsu Villagers Reportedly Attack Officials 12 Jun

HK260808193 Hong Kong AFP in English 0829 GMT 26 Aug 93

[Text] Beijing, Aug 26 (AFP)—Angry villagers in eastern Jiangsu province beat up and seriously injured government officials as they tried to put a stop to illegal salt mining in the area, according to a report seen here Thursday.

Nine members of a 50-member team of salt administration officials and public security officers were seriously injured June 12 when they visited Zhouchen village to enforce Huiyang City Government's orders to curb private production and sale of salt, Wednesday's edition of the Jiangsu Legal Paper said. As they arrived, the local broadcasting station began calling villagers to arms to defend their lucrative side-line, the report said, adding that within ten minutes the streets were filled with some 400 people wielding sickles and spades.

The villagers surrounded the officials and beat them for more than one hour, while others attacked and badly damaged eight cars with stones and sticks, it said. The paper put the cost of the damage at 150,000 yuan (26,000 dollars). The officials were eventually escorted from the village, it said.

In recent years many villagers living near salt mines in Jiangsu Province have illegally produced and sold inferior-quality salt, the report said. Twenty people were poisoned after eating salt bought from one private businessman, it said.

Banned Book 'Iron Fist of Red Terror' Described
HK2608045893

[Editorial Report] The book *Iron Fist of Red Terror—Record of Events of the Special Service Section of the Central Committee of the Communist Party of China (CPC)*, which reportedly was recently banned by the Press and Publication Administration for its sensitive content, was published by the People's China Publishing House on 1 May 1993 and put on sale by the XINHUA Bookstore of Shanxi Province.

Divided into 13 chapters, the book consists of 150,000 characters, for a total of 304 pages. Chapters 1-3 are written by Diao Jinghui (0431 2533 6540), chapters 4 and 5 are written by Ma Pingan (7456 1627 1344), and chapter 6-13 are written by Wang Jianhua (3769 1696 5478). The book is edited by Shi Bo (1597 0590).

Iron Fist of Red Terror is a "record of events" describing the "entire history of the Special Service Section of the CPC Central Committee, a special service organization of the CPC set up by Zhou Enlai and others in the early stages of the CPC." The book "reproduces with numerous historical facts the cruel and sharp struggle between the espionage organizations of the Kuomintang (KMT) and the CPC."

In Chapter 1, "The Whole Country Is Shrouded in White Terror," the author recounts in detail "the Ganzhou murder case" in which Chen Zanjian, a communist and chairman of the Ganzhou Federation of Trade Unions, was secretly arrested and then murdered by the Kuomintang in the city of Ganzhou on 6 March 1927. The author says the murder case was "the prelude to Chiang Kai-shek's open betrayal of the revolution, the creation of the white terror, and the wanton massacre of communists and revolutionaries."

The author then describes the "Anqing 23 March murder case" in which the Anhui Provincial KMT Headquarters and the Anqing City KMT Headquarters, in the hands of the leftist faction of the KMT and regarded by Chiang Kai-shek as "nails in his eyes," were smashed and some communists working there were killed by thugs secretly contracted by the KMT.

The author then goes on to the description of the massacre by the KMT of over 100 workers in a demonstration staged in Shanghai on 13 April 1927. Zhou Enlai, who was then the secretary of the Military Committee of the CPC Central Committee, also took part in the demonstration. In a few days, over 300 communists and other people were killed and some 5,000 people "suddenly disappeared."

At the end of the chapter, the author tells about the "party purge" carried out by Chiang Kai-shek in various provinces in April 1927. In Guangzhou alone, over 2,000 communists and trade union activists were arrested and killed. Traitors showed KMT members around to arrest hidden communists, and "in the white terror of the reactionaries" "each communist was faced with a test in his heart and soul." "Wang Jingwei 'joined hands' with Chiang Kai-shek and the CPC was at an impasse." Arrests and massacres were carried out under the slogan: "It is better to kill 1,000 innocent people than to let one [communist] escape." By November 1927, after the purge had been carried out for six months, the number of CPC members dropped below 10,000, from the previous total of nearly 60,000. Some 310,000-340,000 communists and revolutionaries were murdered and 4,600 people arrested and tortured by June 1928.

In Chapter 2, "The CPC Central Committee Has Its Guardian Angel—The Establishment of the Special Service Section of the Central Committee," the author recounts the move of the CPC Central Committee from Wuhan to Shanghai in September 1927 and then goes on to tell about the Central Special Service Section, which consisted of between 80 and 90 people and lasted from 1928 to 1931, saying that the "section was under the leadership of the Central Special Committee and was personally directed by Zhou Enlai. The section's major tasks were to collect intelligence, punish traitors, rescue comrades, attack the enemy, and ensure the security of central organs." The author also describes Zhou Enlai's outstanding performance in leading the section, including running sessions on techniques and discipline for doing such work. In addition to the work of the section, Zhou Enlai started reorganizing and consolidating various organs of the CPC Central Committee. The first underground wireless station of the CPC was set up in Shanghai in October 1928. The author says the Special Service Section was divided into four teams—the General Affairs Team, the Intelligence Team, the Action Team, and the Communications Team—and describes in detail their activities.

In Chapter 3, "Giving Tit for Tat, Striking Red Terror in the Enemy," the author describes how the CPC central organs successfully operated under the very nose of the enemy. The author also tells how personnel of the CPC Special Service Section succeeded in infiltrating into the heart of the KMT to collect intelligence. One of them was Qian Zhuangfei, who became the confidential secretary of Xu Enzeng, special agent of the KMT "Investigation and Statistics Bureau" working in Chiang Kai-shek's Nanjing Government. Through the assistance of Qian Zhuangfei and others like him, the CPC Special Service Section was able to send people to work in other important KMT departments and organizations, including the KMT Organization Department.

The author also relates lengthy stories about how traitors were discovered and executed.

Chapter 4, "Wedges in the Heart of the Enemy," is devoted to profiles of communists infiltrated into important organs of the KMT around 1929-31. They include Qian Zhuangfei, already mentioned in Chapter 3; Li Kenong, who worked in one of the KMT espionage organs, the "Shanghai Radio Administrative Bureau"; and Hu Di, who worked in another KMT spy intelligence organ, the "Minzhi News Agency." As a result, the last two organs "were in name affiliated organizations of the KMT spy organs, but in reality were entirely in the hands of the CPC." Another communist profiled in this chapter is Song Zaisheng, a member of the CPC Special Service Section who infiltrated into and worked at the KMT Shanghai Garrison Headquarters as the "No. 4 secret political investigator." Xiong Shihui, commander of the headquarters at the time, considered him his "right-hand man."

In the first part of Chapter 5, "Secret Personage of the Police Station [of the British Concession in Shanghai]," the author describes how Yang Dengying, who was "officially appointed as the 'specially appointed official' of the KMT Central Committee in Shanghai by Chen Lifu, head of the KMT spies, in October 1928," and who was to "give assistance in handling important cases," worked for the CPC as a result of the influence and outstanding work of Chen Geng, head of the second team of the CPC Central Special Service Section. From 1928 to 1931, Yang Dengying "provided a lot of very valuable intelligence for the CPC, and did a lot of concrete work in punishing traitors and rescuing comrades."

In Chapter 6, "Rescue Activities of the Central Special Service Section," the author details the activities carried out to rescue the following five people from imprisonment: Peng Pai, member of the Political Bureau of the CPC Central Committee, secretary of the Central Military Committee, and concurrently secretary of Jiangsu Provincial Military Committee, arrested in Shanghai on 24 August 1929; Luo Yinong, member of the Political Bureau and director of the Organization Bureau of the CPC Central Committee, arrested in Shanghai on 15 April 1928; Ren Bishi, member of the CPC Central Committee, arrested while inspecting work in Anhui Province in October 1928; Guan Xiangying, member of the Political Bureau of the CPC Central Committee, arrested in Shanghai in the spring of 1931; and Yun Daiying, secretary of the Organization Department of the CPC Central Committee, arrested on 6 May 1930. Only Guan Xiangying, whom the KMT regarded as an "unimportant criminal," came out of prison alive.

Chapter 7, "Mysterious Underground Communications Lines," is devoted to the description of the work of several secret communications lines between the CPC Central Committee in Shanghai and CPC organizations in various soviet areas and areas under KMT rule. The chapter also tells about the secret wireless station set up in Shanghai in October 1928.

Chapter 8, entitled "'Specialist in Wiping Out Communists' Arrests Gu Shunzhang," gives a detailed account of how Gu Shunzhang turned traitor after he was arrested on 24 April 1931 by KMT agent Cai Mengjian who specialized in "wiping out communists," and how he then helped the KMT arrest Yun Daiying, secretary of the Organization Department of the CPC Central Committee; Cai Hesen, member of the Political Bureau and head of the Propaganda Department of the CPC Central Committee; and other important communists. At the time of his arrest, Gu Shunzhang was candidate member of the Political Bureau of the CPC Central Committee, one of the three persons in charge of the Central Special Committee (the other two were Xiang Zhongfa and Zhou Enlai), and the person in charge of the Central Special Service Section. The KMT reportedly executed him in 1935 or 1937.

Chapter 9, "CPC Central Committee General Secretary Xiang Zhongfa Turns Traitor," gives a detailed account of Xiang Zhongfa and how he was arrested in Shanghai on 22 June 1931. Xiang was only good at "eating and drinking and hanging around with his mistress" and was "impotent in work." Not long after his arrest, he told the KMT the address of Chen Zongying, wife of Ren Bishi, which led to her arrest. However, since the KMT "could not get many secrets about the CPC from him, Chiang Kai-shek ordered him executed on the spot."

In Chapter 10, "Stamping Out an Extraordinary Disaster," the author describes how Zhou Enlai directed the work to safeguard the CPC Central Committee following the arrests of Gu Shunzhang and Xiang Zhongfa. The author says the arrest of Gu Shunzhang did "great harm" to the CPC organizations because Gu was responsible for the CPC Special Service Section and over a long period was responsible for the security of the CPC Central Committee. He "knew most of the important secrets of the CPC," "the addresses of the organs and leaders of the CPC Central Committee," and was "familiar with various methods for doing the secret work of the CPC." He even offered plans to help the KMT "catch the whole lot [of the CPC] in a dragnet."

The author says that "after the arrest of Xiang Zhongfa, the CPC Central Committee decided on 10 June 1931 to set up a special work committee and let Zhou Enlai, Zhao Rong (Kang Sheng), Liao Chengyun (Chen Yun), Pan Hannian, and Kuang Hui take charge of the work of the Central Special Service Section, with Liao Chengyun (Chen Yun) as the leader." The author goes on to give a brief biography of Chen Yun and, at the end of the chapter, says the "reorganized Central Special Service Section, under the leadership of Comrade Chen Yun and with the assistance of Pan Hannian and others, made due contribution to safeguarding the CPC Central Committee and other CPC organizations and in cracking down on the conspiratorial and sabotage activities of the enemy in Shanghai where white terror became more and more serious." The biography also praises Chen Yun for his contribution to the economy in 1950 and 1956, and his idea concerning the party's work style in 1978.

Chapter 11, "The Wu Hao Incident," describes how KMT spy organs concocted a story in the 1930's and how it was "used by the Jiang Qing counterrevolutionary clique during the 'Great Cultural Revolution' to calumniate and attack Zhou Enlai. Wu Hao was once another name of Zhou Enlai." KMT spies "fabricated" an "announcement about Wu Hao and 243 others breaking away from the CPC" and published the story in SHIBAO, XINWEN BAO, SHISHI XINWEN, and SHEN BAO in Shanghai and in various newspapers in other cities in February 1932, with the aim of "slanderizing Zhou Enlai and disintegrating the revolutionary strength of the CPC in areas under the rule of the KMT."

Chapter 12, "The Special Service Section and the CPC Provisional Central Committee Move Away," describes how the Provisional Political Bureau of the CPC Central Committee headed by Bo Gu and "accompanied and escorted" by Chen Yun, head of the Central Special Service Section, moved to the Central Revolutionary Base in Ruijin of Jiangxi Province in January 1933 because the CPC underground work was severely damaged.

In the last chapter of the book, Chapter 13, called "The State Political Security Bureau Exercises the Functions of the Special Service Section," the author recounts how KMT spies had destroyed the remaining organizations of the Special Service Section and almost all the organizations of the CPC Shanghai Provisional Central Bureau in Shanghai by November 1935.

The author then gives an account of the establishment of the State Political Security Bureau and a brief biography of Deng Fa, who was installed as its director in Ruijin, Jiangxi Province, in November 1931. The bureau exercised the political security functions of the Special Service Section and was under the leadership of the CPC Provisional Central Political Bureau. "The Outline of the Constitution of the Chinese Soviet Republic" states: "To suppress and investigate counterrevolutionary activities and organizations in politics and economy and to investigate thieves and robbers, the Chinese Soviet Republic establishes the State Political Security Bureau under the Provisional Central Government." The bureau had under it the Investigation Department, the Executive Department, and the White Areas Department. "While all the soldiers and officers of the Red Army wore red collar insignias, personnel of the State Political Security Bureau wore a green insignia with a red edge and a rectangular metal badge with the letters 'KBU' on it." The author says the bureau made "outstanding contributions to cracking down on the infiltration and sabotage of reactionary KMT spies. But under the rule of Wang Ming's 'leftist' erroneous line, the State Political Security Bureau also made the mistake of widening the scope in the elimination of counterrevolutionaries, wronged a number of good cadres loyal to the party and the revolutionary cause, and wrongly killed some people." The bureau was disbanded when the Red Army concluded its Long March.

Documentary Being Filmed To Mark Mao Anniversary

HK2608033493 Hong Kong TA KUNG PAO in Chinese
23 Aug 93 p 8

["Special Feature" by Pei Wen (5952 2429): "An Unprecedented Magnum Opus 'Mao Zedong'—A Full-Length Historical Documentary Film 'Mao Zedong'"]

[Text] "A National Team" Starts With an Authoritative Work

In 1949, on the eve of entering Beijing, Mao Zedong stayed at the Xuanqing Villa in Xiang Shan in the suburbs of Beijing. Forty-four years later, a production unit with a strong lineup from the Central Television Station also entered and stayed in the villa to rush-shoot the full-length historical documentary film "Mao Zedong." A person in charge of the production unit said: "Filming Mao Zedong on this large a scale has never been known before, and perhaps never will occur again in China. We have to produce a film that will not let history and the people down."

As Mao Zedong's birthday approaches, many television stations at home and abroad are vying with one another in shooting documentary films on him. Since April this year, in accordance with the spirit of the decision of the Beijing higher echelons of leadership on "solemnly commemorating Mao Zedong's 100th birthday," the Central Television Station and the units, such as the Central Party Literature Research Institute, the Headquarters of Chinese People's Armed Police Force, and the Zhongnanhai Central Guards Bureau formed a "national team" and invested two million yuan in shooting a 12-series film, with Liu Xiaoli, who had directed monumental films such as "Let History Tell the Future," "Gazing at the Great Wall," and "the Gate of China," acting as the general director. By then, the Central Television Station will devote prime time to showing the film as one of state-level commemorative activities.

Why could Mao Zedong, the outstanding figure of a generation, emerge in the Orient at the beginning of this century? What elements made Mao Zedong able to achieve historic successes? Exactly what kind of person was Mao Zedong, who once was viewed as "a fetish?" The film, which is divided into three parts that have four series each, gives full and accurate, well-grounded, and novel answers to these questions.

The film, which is based on a large number of site shootings, direct interviews with persons concerned, experts and scholars, a display of authentic documents and materials, and a reproduction of regional surroundings, will help people "gain a more accurate understanding of Mao Zedong." The producers said that the film must strive to reach the height of "an authoritative academic achievement in the contemporary study of Mao Zedong."

What Foreign Politicians Said About Mao Zedong

A source said: The production unit has rush-shot a number of quite precious camera materials. For example, seizing the opportunity of the convention in Shanghai of the 10th International Action Council, members of the production unit "forcefully" interviewed 17 foreign political celebrities who had had contacts with Mao Zedong, including former U.S. Secretary of State Henry Kissinger and former Zambian President Kenneth Kaunda. These men of the hour, who once played an outstanding role in the international political arena, made brilliant comments on Mao Zedong. For example, former French President Giscard d'Estaing who likened Mao Zedong in his book to "a spiritual beacon of mankind," said: "Different from the present leaders of various countries, apart from handling specific affairs, Mao embodied a philosophical thinking. Like Charles de Gaulle, he was respected in the French intelligentsia." Hungarian Prime Minister Jeno Fock said: People must not be afraid that pointing out the mistakes of a leader will shake people's confidence in him. In commenting on leaders, be they Eastern or Western, one must see both their demerits and merits. Any appraisal that "leans to one side" is not objective.

The production unit also will continue to interview senior CPC figures who have worked or had close contacts with Mao Zedong for a long time, including the "sensitive figures" to whom outside people are paying close attention.

Focusing on the People at the Side of Mao Zedong

The production unit has focused its attention all the more on the people who lived and worked at the side of Mao Zedong for a long time. It invited five of Mao Zedong's working personnel during his life-time (they were Mao's health-care doctor, head nurse, guards section head, private secretary, and private attendant, respectively) to accompany the unit trekking a long, long way to the shooting grounds.

The tenth series of the film specially depicts Mao Zedong's family life. Besides his children and relatives, his three wives—Yang Kaipei, He Zizhen, and Jiang Qing—will be presented in different forms. It has been learned that Mrs Zhang Yufeng will provide some historical materials of unique value about Mao Zedong's life in his evening years.

As far as Mao Zedong's "mistakes during his remaining years" are concerned, the production unit said that it will "not try to avoid" them and would artistically handle them in light of historical facts. According to the executive general director Wang Heng, they will remind the watchers to pay attention to some details that have been neglected all along. For example, every time he met the "Red Guards" during the Great Cultural Revolution, Mao Zedong very often would contract his brows. The perspective of such subtle details will help the watchers see Mao Zedong's deep and lonely innermost being during his later years.

A related person from the production unit said: Mao Zedong's era was, after all, different from the era of today. They will not "praise Mao's era to excess"; instead, they hope that people today will pick up the good points of Mao Zedong to further promote China's reform and opening up to the outside world.

Now the production unit is doing intense shooting work in places such as Hunan, the areas south of the lower reaches of the Chang Jiang, Yunnan, and Tibet. The production of the film is expected to finish in the middle ten days of November. On the eve of the day to mark Mao Zedong's birth, the film will be solemnly shown.

Conference Discusses Major Educational Problems

OW2408141093 Beijing XINHUA in English 1352
GMT 24 Aug 93

[Text] Beijing, August 24 (XINHUA)—Four major problems in China's basic education remain to be solved, according to Zhu Kaixuan, minister in charge of the State Education Commission.

The big four are insufficient funding, arrears in teacher's wages, dropouts and the illegal charging of school fees.

Zhu told a television conference on education today that some teachers' living and working conditions have been seriously affected as arrears of pay have grown.

As for investment, the current 87.6 billion yuan is a far cry from the annual funding needed of 200 billion by the year 2000. Yet, the current danger is that some local governments ignore the central government's call to put more money into basic education.

"We ask them to guarantee funding from their local budgets while exploiting new sources," said Liu Bin, deputy minister of the commission.

The commission noted that the financial burden on students stems from individual schools and local governments who want to shift their financial difficulties onto others. Besides issuing a document to freeze such fees, the commission will punish schools which charge students too much, as an item in the current anti-corruption campaign.

Education officials today admitted that in most regions the dropout rate of middle-school students is around 10 percent. The State Education Commission called for strict implementation of the law on compulsory education, ban on child labor and support for students whose parents cannot afford school expenses.

Commission leaders will begin a nationwide investigation in September into the current problems and map out available tactics.

But Zhu still claimed that basic education has advanced remarkably despite the difficulties.

Since the educational reform was introduced in the mid-1980s, 98 percent of Chinese children aged between seven and 11 have entered primary schools and 78 percent of them are able to go to middle schools. The country now has nearly 200 million primary and middle-school students.

Regulations on Work To Wipe Out Illiteracy

DW2308212593 Beijing XINHUA Domestic Service in Chinese 0831 GMT 9 Aug 93

[Text] Beijing, 9 Aug—Regulations on Work To Wipe Out Illiteracy

(Promulgated by the State Council on 5 February 1988 and revised by the State Council on 1 August 1993 according to the decision on revising the "Regulations on Work To Wipe Out Illiteracy")

Article 1. These regulations have been formulated, based on relevant stipulations in the "PRC Constitution," to raise the cultural quality of the Chinese nation and promote socialist material and spiritual civilization.

Article 2. All illiterate or semiliterate citizens who are at least 15 years of age, regardless of sex, nationality, or race, and except for those who have lost the ability to learn, have the right and obligation to receive an education to become literate.

The appraisal to determine whether a person has lost his ability to learn is organized and conducted by educational administrative departments under people's governments at the county level.

Article 3. Local people's governments at various levels should strengthen their leadership in anti-illiteracy work, draw up programs and measures for their respective localities, organize sectors concerned to share work and cooperate with one another in implementing measures, and accomplish the mission of anti-illiteracy work according to their programs' requirements. Local educational administrative departments at various levels should step up concrete supervision over anti-illiteracy work.

Anti-illiteracy work by grass-roots units in urban and rural areas should be led by unit administrative leaders who are under the guidance of local people's governments.

Village and resident committees should vigorously assist in organizing anti-illiteracy work.

Article 4. Anti-illiteracy work and the work of popularizing primary compulsory education should be conducted simultaneously under an overall plan. Localities that have popularized compulsory primary education, but that have not completely wiped out illiteracy, should achieve the goal of basically wiping out illiteracy within five years.

Article 5. Education to wipe out illiteracy should emphasize practical results and combine the acquisition of general knowledge with the study of scientific and technological knowledge. In rural areas, it should combine general knowledge with agricultural science and technology.

Forms of education for wiping out illiteracy should suit local conditions and be diversified with flexibility.

Teaching materials used in education for wiping out illiteracy should be examined and approved by the provincial, autonomous regional, and municipal educational administrative departments.

Article 6. Putonghua, the language commonly used around the country, should be used in teaching the illiterate and semiliterate. In minority nationality regions, nationalities' spoken and written languages or spoken and written languages commonly used among various nationalities in the regions can be used.

Article 7. The standard for literate individuals is: Peasants should be able to read 1,500 Chinese characters; staff and workers of enterprises and institutions, as well as urban residents, should be able to read 2,000 Chinese characters. They should be able to read simple popular newspapers, periodicals, and articles; keep simple accounts; and write simple and practical statements.

The literate standard for localities using ethnic languages in anti-illiteracy work should be set by the provincial and autonomous regional people's governments in accordance with the previous article.

The standard for units having basically wiped out illiteracy is: The proportion of literate people among the population born after 1 October 1949 and at least 15 years of age, except for those who have lost their learning ability, in each of their subordinate units, should reach 95 percent or more in rural areas and 98 percent or more in urban areas; the proportion of persons who cannot read and write should be under 5 percent.

Units that have basically wiped out illiteracy should popularize compulsory primary education.

Article 8. An evaluation system should be implemented in anti-illiteracy work. Students of anti-illiteracy classes should be evaluated by the local township (town) people's governments, city subdistrict offices, or enterprises and institutions at the same level; and a "certificate of literacy" shall be issued to those who pass the evaluation.

Cities and counties (districts) that have basically wiped out illiteracy should be evaluated by the provincial, autonomous regional, or municipal people's governments; townships (towns) and city subdistricts, by the people's governments at the next higher level; and enterprises and institutions, by local people's governments. A "certificate for having basically wiped out illiteracy" shall be issued to the units meeting the standards.

Article 9. Local people's governments at various levels should adopt measures to supervise and urge units that have basically wiped out illiteracy to formulate plans to continue to educate remaining illiterate people. In rural areas, efforts should be made to actively set up township (town) and village cultural and technical schools to consolidate anti-illiteracy results through various forms that integrate agricultural production with science education.

Article 10. Teachers of anti-illiteracy work should be employed and paid with corresponding remuneration by townships (towns), subdistricts, and villages, as well as enterprises and institutions.

Local ordinary schools, cultural centers (stations), and relevant facilities should actively assume teaching work for wiping out illiteracy.

All persons in society who are capable of educating illiterates should be encouraged to participate in teaching activities for wiping out illiteracy.

Article 11. Local people's governments at various levels should increase full-time personnel for adult education in counties and townships (towns), while determining the size of staff for their educational undertakings, as well as strengthen the management of anti-illiteracy work in rural areas.

Article 12. Funds needed for anti-illiteracy education should be collected through various channels and means. Local people's governments should provide necessary subsidies, except for funds collected through the following channels:

1. Funds raised by village committees or relevant units themselves under the arrangement of township (town) people's governments and subdistrict offices;

2. Anti-illiteracy funds appropriated by enterprises and institutions from outlays for staff and worker education;

3. A part of the surcharge for educational undertakings collected in rural areas to be used for anti-illiteracy education in the countryside.

Funds needed by educational administrative departments at various levels for training full-time personnel and teachers, compiling teaching and reading materials, launching teaching and research activities, exchanging experiences, and awarding advanced units and individuals in anti-illiteracy work should be included in appropriations for educational undertakings.

It is necessary to encourage various sectors and individuals in society to donate funds for anti-illiteracy education.

Article 13. The responsibility system of administrative leadership should be introduced into anti-illiteracy work. The anti-illiteracy mission should be regarded as

the duty of administrative officials in counties, townships (towns), city subdistricts, enterprises, and institutions and be made an important item in evaluating their work performances.

Local people's governments at various levels should deal with units that fail to complete the anti-illiteracy mission according to their plans.

Local people's governments at various levels should report conditions of anti-illiteracy work to people's governments at the next higher level on a regular basis and accept their examination and supervision.

Article 14. The State Education Commission should present "anti-illiteracy awards" to units or individuals who have made outstanding contributions to anti-illiteracy work on a regular basis. Local people's governments at various levels should also commend or award units or individuals with outstanding achievements in anti-illiteracy work.

Local people's governments should criticize and educate illiterate or semiliterate citizens who are old enough and qualified for the anti-illiteracy education, but fail to participate in anti-illiteracy courses within the fixed time. Local people's governments should also take practical and effective measures to set them up in schools so that they can attain literacy standards.

Article 15. Provincial, autonomous regional, and municipal people's governments may formulate rules for implementing these regulations in line with actual conditions in their localities, according to these regulations.

Article 16. These regulations shall be interpreted by the State Education Commission.

Article 17. These regulations come into force on the date of promulgation.

Commission Publishes Private College Regulations

OW2408133293 Beijing XINHUA in English 1303
GMT 24 Aug 93

[Text] Beijing, August 24 (XINHUA)—A regulation published here today by the State Education Commission to regulate private colleges said that they must concentrate on training excellent students for the nation's reconstruction.

In addition, it says, profits made by such colleges can only be used to improve school facilities.

Private colleges, a by-product of China's reform, are those set up by social organizations or individuals. There are no exact statistics as to how many have been established.

Usually, they charge much higher tuition fees than the state-owned colleges.

The new regulation demands that the establishment of such colleges must meet the needs of social and economic development. The schools must obey state laws and regulations and be under government supervision.

The establishment of a private college will need approval from the State Education Commission. The provincial governments have the right to oversee their operations.

However, they will still enjoy many flexible policies, such as the right to enact and revise their own regulations, build administrative systems on campuses, determine the salaries of their staffs, and so on.

Students who want to enter a non-state-owned college have to participate in the national entrance exam for all universities and colleges nationwide. But they have to seek their own jobs when they graduate, according to the regulation.

Article Discusses 'Schools Run by Local People'

HK2408124693 Beijing RENMIN RIBAO in Chinese 4 Aug 93 p 3

[Article by Zhu Kaixuan (2612 7030 6513), minister of State Education: "Active Support, Correct Guidance—Several Questions on Schools Run by Local People"]

[Text] Since reform and opening up, changes have taken place continuously in China's school structure. Apart from government-run schools, various parties and social organizations, collective organizations, and citizens have also begun to run all kinds of schools. These schools are generally called "schools run by local people." At the same time, a new structure of government-run schools being changed into schools run by the local people has also emerged.

As a social and cultural phenomenon in our country, the schools run by the local people are an inevitable outcome of China's reform of the economic structure and the educational and science and technological structure, especially an inevitable outcome of the development of a socialist market economy. The rising of schools run by the local people is conducive to mobilizing the initiative of social organizations and citizens in running schools and developing socialist education. It is conducive to breaking the pattern of government monopoly for running schools and promoting reform of China's school running structure. It is also conducive to reducing the state's financial difficulties in allocating educational funds and sharing the burdens relating to employment. To a certain extent, it can satisfy the demands of various social circles on education. Therefore, it is a good thing which benefits the state and the people.

The state always adopts a policy of active encouragement and vigorous support toward schools run by the local people. The Constitution stipulates: "The state encourages the collective economic organizations, state enterprises and undertakings, and other social forces to set up educational institutions of various types in accordance

with the law." The 14th CPC National Congress also pointed out: "It is necessary to encourage local people to run schools by raising funds through various channels and in various forms." The "Program for China's Educational Reform and Development" further points out: "The state adopts a policy of active encouragement, vigorous support, correct guidance, and strict management toward the schools run by social organizations and citizens in accordance with the law." Over the past year or so, the State Education Commission has worked out "Certain Temporary Provisions on Schools Run by Social Forces" and other temporary provisions on financial management, education management, and seals and chops management in schools run by various social forces.

According to incomplete statistics, by the end of last year, there were already more than 20,000 schools run by local people throughout the country (including kindergartens). Of them, there were more than 1,600 secondary and primary schools, which had a total of nearly 200,000 students, and 13,800 kindergartens, which took care of more than 530,000 children. In addition, there were more than 10 institutions of higher learning run by the local people, which had been approved and put on file by the State Education Commission (including seven ordinary and three adult institutions of higher learning). There were also more than 40 schools offering courses of the same level as institutions of higher learning, which were jointly run by social organizations and government departments or enterprises, and more than 500 higher educational institutions run by local people, which had been approved by the provincial educational and administrative departments for offering training and assistance courses (and which only issue realistic certificates on completion of courses rather than certificates of formal schooling). Moreover, there were more than 10,000 schools run by local people which provided courses for professional and technical training or education on social and cultural life and after-school lessons or continuation courses and which did not have the records of formal schooling for students.

Judging from the overall situation, the development of schools run by local people in China is healthy, and remarkable social effects have been achieved. However, there are still problems in some schools run by local people. The main problems are: Because of their immature conditions for running schools, the quality of some schools are not satisfactory; some schools have been blindly pursuing a higher record of formal schooling to the neglect of their practical conditions; and a small number of schools have indiscriminately issued graduation diplomas and even regarded running school as a means to earn profit. This has not only deviated from the fundamental purpose of educational reform, but also has created confusion in society and affected the development of schools run by the local people. It is necessary to attach great importance to resolving these problems.

In light of China's national conditions and the conditions of the majority of schools run by the local people,

the stress should be laid on the schools offering basic educational courses, professional and technical courses, continuation study courses, and higher educational courses in a nature of providing aid to students (who can obtain a diploma of formal schooling through examinations given by the relevant state authority in a unified way). At present, as the cultural level of the vast numbers of rural laborers in our country is comparatively low, elimination of illiteracy and the nine-year compulsory education should be made universal as soon as possible. While developing schools run by local people, it is necessary to enthusiastically encourage and give priority to the basic education and professional and technical education and encourage the local people to run primary and boarding schools in the mountainous areas and poor areas.

In large and mid-sized cities, it is necessary to encourage people to run schools for the children of the permanent residents without household registrations and of those who have a strong demand for selection of courses and schools by themselves. Except for a small number of areas where conditions allow for running new schools, most areas can also develop schools run by local people through reform of the existing schools, such as changing them into schools run by the state but subsidized by the local people or vice versa, and changing them completely into schools run by local people.

At present, higher education is the focus of schools run by local people. On the running of institutions of higher learning by local people, the state authority has adopted a rather open policy. According to the relevant regulations, they should be approved and managed by the local educational and administrative departments in light of their specific local conditions and basic conditions for running schools and the procedure for examination and approval should be simplified as far as possible. But toward the issuance of diplomas, it has taken a very serious attitude. This is because a diploma represents the state's demands on the standard, level, and quality of education at different levels of schooling and the diploma system is an important component part of a country's educational system, the seriousness of which should be resolutely vindicated. For this reason, establishment of institutions of higher learning should first be examined and approved by the local educational and administrative departments and then by the State Education Commission. Of course, while examining and approving the application, the specific local conditions should be taken into consideration so that the quality and standard of higher education of the state can be ensured while encouraging and protecting the people's enthusiasm in running schools. Judging from China's specific conditions, simultaneous reforms should be carried out in both the institutions of higher learning run by the local people and the ordinary and adult higher educational institutions. An overall consideration should be given to it and a rational arrangement should be made.

Recently, some so-called "noble schools" have emerged. Their purpose is to promote noble education. Some schools were even named "noble school" on the day they were established. The emergence of such schools has aroused the attention of various social circles. We must point out clearly that to foster "nobles" is counter to our educational policy and harmful to the healthy growth of our children. We are not in favor of running such schools and should not approve the establishment of any "noble schools" which are aimed at developing noble education. Those which have been established should change their purpose as soon as possible. There are also some schools, which do not call themselves noble schools, but their conditions, especially living conditions, are far superior to ordinary schools. They are employing high-level teachers by giving high pay, offering courses with an emphasis on foreign languages, computer, and so forth, and adopting a close-door boarding system. Naturally, their fees are also comparatively high. The emergence of such schools suits the needs of some high-income people, including those in the three kinds of partially or wholly foreign-owned enterprises and private enterprises and those who have returned from abroad. But after all, there are only very few people who can afford the fees of such schools. The development of things is uneven. We cannot criticize such schools which have better conditions for teaching, but should allow differences to exist.

Some people can afford the fees and want to make a greater investment in education for their children. This is nothing wrong to be criticized. The problem is whether these schools can implement the educational policy in a comprehensive way, whether they can successfully bring up the children, and whether their environment and training method are conducive to training younger people into builders and successors to the socialist cause. In my opinion, all schools should adhere to the socialist orientation, implement the educational policy, and enable the students to develop morally, intellectually, and physically, no matter what their conditions for teaching and living are and how much money the individuals have paid. Deviations from the socialist orientation and the educational policy should be rectified, because this is not merely a matter of the students and their parents, but also a matter concerning the future of our country and nation.

In my opinion, all schools, including those run by the local people, should be institutions of public welfare. All schools run by the local people, including secondary and primary schools, must uphold the principle of public welfare and should not regard profit making as their purpose. The fees of schools run by local people can be a bit higher, but they should "collect fees in light of their actual expenses" in accordance with the relevant state regulations and should be approved by the local educational and administrative departments. When there are surpluses, they should be used for the school's development.

In order to promote development of schools run by the local people in our country, the State Education Commission is stepping up efforts to work out "Regulations on Schools Run by Local People." In the future, the state should actively encourage and vigorously support local people to engage in the development of education and ensure the legal rights and interests of the schools run by the local people according to law. At the same time, it is necessary to offer correct guidance for and strengthen management over the schools run by the local people so that they can gradually develop on the track of standardization and being ruled by law. The establishers of the schools run by the local people should also conscientiously observe the laws and regulations of the state, implement the state's educational policy and principles, and accept the government's management, supervision, assessment, and auditing. On this premise, all schools run by the local people enjoy the full right to running schools independently.

Seventh Congress of Chinese Women To Open 1 Sep

OW2508061793 Beijing XINHUA in English 0558
GMT 25 Aug 93

[Text] Beijing, August 25 (XINHUA)—The Seventh National Congress of Chinese Women will be held in Beijing from September 1 to 6, according to sources from the All-China Women's Federation.

Attending the congress will be 1,180 representatives including 1,100 official ones and 80 specially-invited ones. They have been elected by 37 units such as provinces, municipalities, autonomous regions, institutions and organizations directly under the Central Committee of the Communist Party of China (CPC) and the central government, the People's Liberation Army, democratic parties, and the Hong Kong and Macao region.

The 1,100 official representatives come from various nationalities in the country. Among them, 279 or 25.36 percent of the total, are not Communist Party members, while 157, or 14.27 percent of the total, are from ethnic minority nationalities. Each of the 55 minority nationalities in the country will be represented at the congress.

Some 816 of the official representatives have received higher education, accounting for 74.18 percent of the total. The percentage is much higher than last congress, which stood at 58 percent.

The average age of the congress representatives is 45.92. Some 89.55 percent of the congress representatives are under 55.

The specially-invited representatives are mainly women members of the central and provincial leaderships, veteran women cadres who have taken part in work on women for a long time and have occupied important leading positions in the All-China Women's Federation, and well-known women in other democratic parties and from the Hong Kong and Macao region.

Correction to Item on Civil Service Regulations

HK2608030893

The following correction pertains to the item headlined "Promulgation of Civil Service Regulations Praised," published in the Political & Social section of the 25 August China DAILY REPORT, page 18:

Column one, before first paragraph of item, the following subslug should be inserted: [Commentator's article: "A Fresh Beginning in Personnel Management Moving Toward the Legal System"] (providing omitted subslug)

Military

Article Relates Jiang Zemin's Army Unit Visits

HK2508122093 Beijing JIEFANGJUN BAO in Chinese
17 Aug 93 p 1

[Article by staff reporters Wang Hongshan (3769 3163 1472), Zhou Tao (0719 3447), Hong Heping (3163 0735 1627), Sun Jilian (1327 4949 3550), and Yang Yang (2799 2799): "A Historic Mission—A Chronicle of Jiang Zemin's Concern for the Army's Scientific and Technological Development"]

[Text] The theory of Comrade Deng Xiaoping, China's chief architect of reform and opening up, on "science and technology being the primary productive force" is propelling the giant wheel of the country's economic construction forward. Scientific and technological progress is the leading factor in our economic leap and is becoming a consensus and practice of the entire Chinese people.

In the present-day world of speedy scientific and technological development, facing the excellent situation of vigorous economic development in China, how should the Chinese Army, which emerged from the brilliant history of "millet plus rifles," fulfill the historic mission of modernizing itself and building a new great wall? Generals and soldiers in the entire Army are considering this major question. Comrade Jiang Zemin, chairman of the Central Military Commission, is all the more concerned about the Army's scientific and technological progress and development.

Historical Experience Has Proved That Backwardness Means Passivity and Vulnerability to Attack. Chairman Jiang Told Army Cadres That in Modernizing Itself, the Army Should Rely on Scientific and Technological Progress

June 1990, Humen. Waves were pounding the shore and the sea was boundless.

Chairman Jiang, who was inspecting Guangdong, made a special trip to the Opium War Museum, where there is an account of being attacked due to backwardness—an account of humiliation. Here, pictures of a bloodbath were presented showing big swords and long spears being

used to resist solid ships and cannons. With a sigh, he told the Army and local leaders around him: "Modern Chinese history since the Opium War has been the history of the Chinese nation rising against the enemy, saving the country, and making the country strong. We should never forget this history."

On 17 March 1991, Chairman Jiang arrived in Changsha after traveling to many localities in Hunan. He immediately went by car to the University of National Defense Science and Technology, the highest science and technology university of the Army. He walked straight to the laboratory and research center to watch major scientific research achievements up to international standards, including models of the huge Yinhe electronic computer and a magnet-suspended train. He carefully asked about the research details, technical functions, development, and application of these achievements as well as the development trend in foreign countries.

Seeing a series of scientific and technological achievements, he stopped walking and thought deeply. Then he pointed out: Scientific and technological achievements should be turned into productive forces and combat forces so that they can serve national economic and social development as well as Army building. The role of science and technology should be taken into full account in Army modernization.

During the Seventh Five-Year Plan, the University of National Defense Science and Technology made a large number of scientific and technological achievements, of which 785 won state invention prizes and awards from the state, ministers, and commissions. Quite a number of achievements have filled in gaps in the scientific and technological field in the country and some have reached advanced international standards.

After listening to a report, Chairman Jiang stressed: Comrade Deng Xiaoping's famous theory on science and technology being the primary productive force is a new, major contribution to the theoretical treasure house of Marxism. In realizing modernization, the state and the Army should rely on scientific and technological progress. Reality has suggested that modern warfare is becoming high-tech warfare, three-dimensional warfare, electronic warfare, and missile warfare. Backwardness means passivity and vulnerability to attack.

At a National People's Congress session on 31 March of the same year, Chairman Jiang attended a discussion of the Liberation Army delegation, during which he talked about the plan for national defense. He said enthusiastically and assuredly: "Modern warfare is, to a great extent, a test of 'modernization' and a trial of economic and modern military technological strength. 'The person who can see things and hear voices a long way off' in the ancient story of 'Feng Shen Bang' is now no longer a myth. We should respect science, take serious account of weapons and equipment, and work hard to enhance the Army's modernization level."

Subsequently Chairman Jiang repeatedly explained the relation between scientific and technological progress and Army modernization during discussions held by the University of National Defense, the Academy of Military Sciences, the Commission for National Defense Science, Technology, and Industry, and scientists.

Realizing Army modernization by means of scientific and technological progress is the specific manifestation of Comrade Deng Xiaoping's thought on "science and technology being the primary productive force" in our Army.

This has been a historic choice to strengthen the Army's qualitative buildup since it introduced a 1-million-personnel demobilization.

This is the only way for our Army to march toward modernization.

"You Have Worked Hard and Performed a Valuable Service!" Wherever Chairman Jiang Went—to the Gobi, to the Barren Land, to the Plateau, or to North China, He Carried the Party's Concern for Intellectuals

"How are you doing? You are my teacher. How is your health?"

Ziguang Mansion, Zhongnanhai. Chairman Jiang respectfully addressed Qian Xuesen as "teacher" and congratulated him on winning the "Rockwell Junior Award" and joining the ranks of "world celebrities in science, technology, and engineering." He praised him as the "pride of the Chinese."

Qian Xuesen is the father of China's national defense science and technology and a man of distinction in the Army's intellectual circles. His name is connected with New China's "two bombs and one satellite."

On 16 October 1991, in the resplendent and magnificent Great Hall of the People, a ceremony was held to present the glorious title of "state-level scientist who has made outstanding contributions" and the First-Class Hero Award to Qian Xuesen.

After Comrade Liu Huqing, vice chairman of the Central Military Commission, announced the commendation orders, Chairman Jiang made an enthusiastic speech: "Comrade Qian Xuesen deserves the glorious title of 'state-level scientist who has made outstanding contributions.' This is not only Comrade Qian Xuesen's personal glory, but also the glory of scientific and technological workers throughout the country. In the meantime, it is also the specific expression of the respect of the party, the state, and the people for science and technology, which constitute the primary productive force."

Respecting knowledge and talented people. This habit of the era initiated by Comrade Deng Xiaoping is being propagated and put into effect by the new generation of party and military leaders.

The Gobi Desert. Chairman Jiang flew to a base of the State Commission for National Defense Science, Technology, and Industry. Despite the scorching sun directly overhead, he personally visited more than 3,000 scientific and technological workers and their family members and had a group photograph taken with heroes who had made contributions to scientific research. He praised them for "having performed deeds of valor" for national defense.

The barren land. Chairman Jiang went to the satellite launch center in Jiuquan to convey regards to experts as well as scientific and technological workers who had worked under difficult conditions and made remarkable contributions to the motherland's spaceflight development. He encouraged them to make consistent efforts to scale the heights of science and technology.

The plateau. Chairman Jiang arrived at a regiment in charge of the Qinghai-Tibet pipeline and had a talk with the chief engineer, whose face was sunburned and whose lips had turned dark purple. The chief engineer said that he joined the Army with his wife after graduation and both husband and wife had spent almost 30 years on the snowy plateau. Together with officers and men at the grass-roots level, he is in charge of transporting oil to the roof of the world. Deeply moved, Chairman Jiang said: "You have worked hard and performed a valuable service!"

North China. Chairman Jiang held a heart-to-heart talk with 170 experts and professors in the Agriculture and Animal Husbandry University of the Liberation Army, and looked at new species of sorghum sugarcane, corn, and rice crops cultivated from the cells of relevant plants. Learning that researcher Mu Qiuhsu's research on "substituting cells for seeds" was up to the world level, he happily said: "We are proud of you!"

Scientific and technological progress relies on talented people, scientific and technological competition is urging talented people on. Chairman Jiang has full respect for gardeners who are cultivating talented people. Professor Cao Hesun is China's famous aeromechanics expert in the University of National Defense Science and Technology and taught in the Shanghai Jiaotong University before liberation. Holding him by the hand, Chairman Jiang asked caringly: "You are now 79? You look healthy, please take care." Chairman Jiang also told some 30 professors with deep feeling: "You have cultivated many talented people. Quite a number of them have now taken up important leadership posts on various fronts. You have pupils everywhere!" He placed high hopes in the professors by saying: The Army has an arduous yet glorious educational task; the task is heavy, the road is long.

Chairman Jiang also held cordial talks with young teachers, postgraduates, and university students. He asked a young teacher wearing a badge marked "nonmilitary cadre": "What do you teach?" "Reporting to the chairman, I teach Russian." Then Jiang Zemin spoke

Russian to him. Unexpectedly, this Russian-language teacher was too excited to speak, although he had taught the language for four years. Jiang Zemin laughingly told him in Russian: "Don't get nervous, speak slowly." Chairman Jiang's amiable attitude made him relax, and he also spoke Russian to him.

With deep feeling, Chairman Jiang told the university leaders: Young intellectuals are playing an important role in the Army's modernization; working hard to foster high-tech personnel straddling this century and the next is one of the major policies for the Army's modernization.

As Military Expenditure Is Limited, What Should We Rely on in Making Scientific and Technological Progress? Chairman Jiang Sums Up Three Experiences on the Basis of Study and Investigation

On 23 May 1993, Chairman Jiang frankly told an American reporter: This year China's military spending budget is \$7.3 billion, accounting for only 2.66 percent of the U.S. military expenditure, which stands at \$274.3 billion. Calculated on a per capita basis, China's military expenditure is \$6, whereas the United States' is \$1,100.

As military expenditure is limited, what should we rely on in making scientific and technological progress? Chairman Jiang carried out a great deal of investigation.

He went to the Xichang satellite launch center.

In high spirits, Chairman Jiang came to the launch pad and saw a modernized spaceflight base on a once-barren land in Daliang Shan. He learned that the first Chinese-made experimental satellite, the first synchronous satellite, the first applied communications and broadcast satellite, the first strap-on [kun bang shi 2190 4834 1709] carrier rocket, and the first foreign commercial satellite were all launched from here, thus making a new step into international spaceflight technological cooperation. It is known as "China's spaceflight city" and the "Houston of the East." He spoke highly of its remarkable achievements through self-reliance.

He flew to the site where China conducted its first atom bomb test.

Chairman Jiang looked from the plane window at the vast land below and focused his eyes on an oasis in the boundless desert. As soon as he left the plane, he told a leader of the experimental base who came forward to welcome him: "I have seen you already from the sky!"

This was a barren land 30 years ago, known as a "land on which no animal could live" and a "terrible sea of death." Pioneers of national defense science and technology settled down in this ancient desert and started their scientific research careers under arduous and dangerous conditions. In the last 30 years, about 100,000 to 200,000 people have, as in a relay race, incessantly explored the unfamiliar scientific field, battling against adverse living conditions. Hundreds of people have sacrificed their lives in the Gobi for scientific research.

Today people can see here laboratories with sparkling windows, rows of dormitory buildings, a tall television tower, an entertainment hall full of singing.... What is more inspiring, several major scientific experiments were completed here, which made people proud and elated!

Loyal bones are buried in yellow sand, a tall monument stands erect in the vast desert. How could Chairman Jiang remain unmoved in face of this magnificent scene of arduous pioneering?

On 19 December 1990, recalling his own experience and looking into the future, he said: "I worked for many years on the national defense scientific and technological industrial front and can also be regarded as a soldier on this front. I once joined and led the research work on some national defense scientific and technological projects and systems engineering. In the last decades, some experience has been gained in national defense scientific and technological industrial development. I think it necessary to note this experience and persist in it."

He summed up as follows: First, we must coordinate all the activities of the country like pieces in a chess game and concentrate our superior forces on fighting a battle of annihilation. Second, on the basis of self-reliance, we must strengthen our cooperation and exchanges with the world. Third, we must continue to develop the spirit of hard struggle and selfless devotion.

On 14 June 1991, when meeting representatives of model heroes attending a meeting of advanced collectives and advanced individuals sponsored by the State Commission for National Defense Science, Technology, and Industry, Chairman Jiang once again stressed: There is still a gap between the world's advanced countries and ourselves, we have to catch up with them in many aspects, thus there must be major and minor points. We must pay attention to key points and concentrate our superior forces on fighting a battle of annihilation. China's practice in "two bombs and one satellite" fully proved this point.

A road of scientific and technological progress embodying the soul of the Chinese nation has now appeared before the new generation of Chinese soldiers.

To Strengthen the Scientific and Technological Concept of Officers and Soldiers in the Entire Army, Chairman JiangAppealed: "All Levels of Leading Cadres in the Entire Army, Particularly High-Ranking Cadres, Must Take the Lead in Studying Science and Technology"

The speedy development of military science and technology has posed a new challenge for each soldier. Cultivating soldiers who can master the basic knowledge of high technology is an urgent demand the era has raised for our Army's modernization.

As early as 1977, Comrade Deng Xiaoping, who was then in charge of Central Military Commission work, vividly pointed out: "Now it will not do for a company

commander just to shout 'charge' with Mauser pistol in hand." "Even veteran comrades like us do not have adequate ability to command modern warfare. We must acknowledge this reality."

Thus a fever of studying modern science and culture arose in the entire Army.

In the 1990's, facing a new historical opportunity, Chairman Jiang has on many occasions called on "all levels of leading cadres in the entire Army, particularly high-ranking cadres, to take the lead in studying science and technology and to master more knowledge about modern science and technology" so as to further strengthen the scientific and technological concept of the entire Army.

On 30 April 1993, Chairman Jiang arrived at the Academy of Military Sciences—the highest military research institution of our Army. After listening to a report by a leader of the academy, he sharply pointed out: "Following high-tech development, relations between military science and natural science will become closer." After analyzing this trend, he explicitly demanded: "Army cadres should study high-tech knowledge concerning modern warfare."

Looking from the high plane of national development strategy, he raised two problems for urgent solution:

"One is that our Army cadres should speedily raise the level of their modern national defense knowledge, particularly the level of their knowledge about war under high-tech conditions; the other is that our provincial party committee secretaries, provincial governors, and ministers of all ministries should speedily understand what the market is, what the market mechanism is, and what the socialist market economy is."

In May the General Staff Department held a 20-day forum on "scientific and technological development and military affairs," during which several hundred generals from the three general departments and major units stationed in Beijing gathered together to listen to courses provided by experts and academics.

During the forum, Chairman Jiang personally reviewed the lecture notes, familiarized himself with how they studied, and fully confirmed this kind of practice.

On 5 June Chairman Jiang went to the National Defense University—the highest university which trains senior commanders. He held discussions with cadets of the National Defense Research Department and the Advanced Studies Department.

He started his remarks by saying: "When having a discussion with cadets of the National Defense Research Department in December last year, I said that whenever there was an opportunity in the future and if I had time to spare, I would come again to discuss problems with you. Today I have come as I promised." His caring sentiment could be read between the lines.

He exchanged ideas with cadets wearing uniforms of army generals on how they studied and applied Comrade Deng Xiaoping's thought on army building in the new period. Recalling Comrade Xiaoping's demand in 1977 on strengthening armed forces units' and cadres' studies of knowledge about modern warfare, he said: "I would like to stress one more point, namely studying high-tech knowledge." "Our high-ranking cadres must have a sense of urgency. All kinds of forms and methods should be used in studying high-tech knowledge."

Chairman Jiang repeatedly stressed the need for high-ranking cadres to study high-tech knowledge. Like controlling a dragon by holding its head, we will lead the entire Army's scientific and technological development into a new period.

Today, generals and soldiers in the Chinese Army, which emerged from the brilliant history of "millet plus rifles," are diligently studying modern scientific and technological knowledge and striving to bring about the best integration between new technology and equipment on the one hand and high quality soldiers on the other....

Chinese soldiers are undertaking a new historic mission.

The Chinese Army is determined to build a new Great Wall.

Xinjiang Holds Army-Government Joint Meeting
OW2508131393 Urumqi XINJIANG RIBAO in Chinese
30 Jul 93 p 1

[Text] A joint government-military meeting was held on the morning of 29 July to hear the military's views and to tackle some principal problems in the military's relations with local governments and the populace.

Wufuer Abudula [wu fu er a bu du la 0710 3940 1422 7093 0008 6757 2139], vice chairman of the autonomous regional government, presided over the joint meeting.

At the meeting, representatives of the military and local governments unanimously agreed that over the years, party committees and governments at all levels and people of all nationalities in the region have done a great deal in supporting locally stationed troops in building a regular armed force, in placing retired and demobilized servicemen, and in arranging schools and jobs for servicemen's children. Military units have also provided assistance in local economic construction as part of their efforts to support local government and cherish the people. They have participated in the construction of transportation, energy, farmland water conservancy, border trade, aid-the-poor, and other key local projects. They have made, with their solid work, major contributions to reform, opening up, and economic construction in our region and to the enhancement of military-government and military-civilian unity and the unity among nationalities.

Representatives of the Xinjiang Military District; Air Force units stationed in Xinjiang; and some State Commission for Science, Technology, and Industry for National Defense units suggested that, in spite of all this progress, there are problems in the military's relations with localities, such as land disputes, placement of senior professional cadres, and residence registration for dependents of servicemen. At the meeting, Urumqi Mayor Yusufu Aisha intervened to settle 12 land disputes involving locally stationed military units and Urumqi. He also pledged utmost efforts to help solve problems related to placement of retired and demobilized servicemen and residence registration and schooling for dependents.

On behalf of the regional party committee and government, Vice Chairman Wufuer Abudula answered concerns raised by the local troops.

Officials of the regional public security department, construction department, land administration, and relevant Urumqi city departments were present at the meeting.

Economic & Agricultural

Officials Affirm Renminbi Exchange Rate To Be 'Stable'

HK2608104093 Hong Kong MING PAO in Chinese
24 Aug 93 p 15

[Report by staff reporter Cheng Hao (6774 3185): "Renminbi Exchange Rate Has Been Basically Stable, But Central Bank Will Maintain Practice of Intervention"]

[Text] Song Haipeng, deputy director of the State Administration of Exchange Control, pointed out: The exchange rate of renminbi against the U.S. dollar has been generally stable in mainland's foreign exchange swap markets. But the People's Bank of China, the central bank, will continue the interventionist practice of selling a large amount of U.S. dollars in foreign exchange swap markets whenever necessary. Additionally, as disclosed by Wang Xiyi, president of the People's Bank of China Shenzhen Branch, various specialized banks in Shenzhen have recalled interbank loans totalling renminbi 2.5 billion yuan, "of which, however, loans lent in violation of regulations are only of a small amount."

When interviewed by reporters at the "opening ceremony of the Sin Hua Trust Savings and Commercial Bank Limited Shenzhen Branch" held in Shenzhen yesterday, Song Haipeng pointed out: The exchange rate of renminbi in the mainland's foreign exchange swap markets is basically stable now, and the buying and selling in the Shanghai Municipal Foreign Exchange Swap Center is normal, too. He believes that a fixed exchange rate—pegging renminbi at a fixed price against the U.S. dollar—is not a foreign exchange rate policy of the central bank. He further said: "There will be problems if exchange rates are pegged like that of the Hong Kong

dollar against the U.S. dollar at 1:7.8, or like the linked exchange rates in the European Exchange Rate Mechanism."

Song pointed out emphatically: As a monetary measure, a central bank selling a certain currency in large quantities in foreign exchange markets to draw the currency of its own country to a more sensible price level is an international customary practice. He said that the mainland's central bank will continue to sell U.S. dollars in large quantities whenever necessary in light of foreign exchange market conditions to stabilize the renminbi exchange rate at a sensible price level within a certain range. Nevertheless, he denied the report that the central bank had sold a large quantity of gold in foreign exchange markets.

Asked when the foreign exchange coupons will be recalled, Song pointed out: "It depends on how the situation develops, but so far as I know, no one shows a weakness for the foreign exchange coupons in Shenzhen now."

In addition, Wang Xiyi, president of the bank's Shenzhen branch, pointed out: Since the central authorities intensified the macroeconomic regulation and control to rectify monetary order and tighten bank credit, various principal specialized banks in Shenzhen have successively screened their interbank loans and have so far recalled funds totalling 2.5 billion yuan.

However, he pointed out that not all the abovesaid interbank loans were lent in violation of regulations. The proportion of those really lent in violation of regulations is very low, just amounting to 63-odd million yuan."

Wang also pointed out: In the future, the key investment of various specialized banks in Shenzhen will be concentrated on the state's key construction projects. Meanwhile, support of funds will also be given to the enterprises which make good profits and earn a considerable amount of foreign exchange through export. He further pointed out that the bank credit in Shenzhen at present is in a relatively easy condition, but circumstances vary in accordance with individual projects.

Economists Comment on Reforming Ownership System

HK2608111393 Beijing ZHONGGUO XINWEN SHE
in Chinese 1245 GMT 23 Aug 93

[By reporter Li Wei (2621 0251)]

[Text] Beijing, 23 Aug (ZHONGGUO XINWEN SHE)—At this afternoon's symposium to discuss "whether the ownership system is a means or an end," Chinese economists Yu Guangyuan, Feng Lanrui, Xiao Zhuozi, Zhou Shulian, Wu Mingyu, Liu Futang, and Xiao Liang expounded the following viewpoint: Deepening the reform of the ownership system is the key to

perfecting China's socialist market economy, and a major breakthrough should be made in ownership theory.

Liu Futang, deputy director of the Beijing Municipal Market Economy Research Institute, said: in the market economy, it is the market that selects the forms of ownership and it is not the forms of ownership that select the market. The operation of the market economy is based on fair competition, in which the superior wins and the inferior is eliminated. Therefore, a single form of ownership is vigorless. The correct approach is to create a market environment with fair competition and accelerated development.

Zhou Shulian, director of the Industrial Economy Institute of the Chinese Academy of Social Sciences, said: China's reform practice shows that the development of non-state-owned economy "plays an extremely important and decisive role" in the forming and development of the market. It provides a necessary external environment and pressure for state-owned enterprises' reform, and provides conditions and makes it necessary for state-owned enterprises to enter into the market. "The degree of the state-owned enterprises facing the market, to a large extent, is determined by the development of the non-state-owned economy and by the competition among them. Only when the non-state-owned economic elements are fully developed can a competitive environment be created and necessary conditions be provided for the development of the market economy and the reform of the state-owned enterprises."

Xiao Liang, researcher in the Chinese Academy of Social Sciences, said: In the course of deepening the reform of China's whole people ownership system and further adjusting the ownership structure, an important option is to develop a form of mixed ownership. Such mixed ownership is composed of two or more ownership elements, and has the advantages of being able to easily form productive forces, clearly defining the property rights relations, forming corresponding rights, responsibilities, and benefits, and forming more effective ownership control over the management.

Deputy Director Liu Futang stressed: It is necessary to provide legal protection and guarantee for legal private property, private economy, or private ownership as much as the legal protection for public ownership and public property. This will play a great role in attracting overseas capital and promoting national reunification.

The symposium on "whether ownership is a means or an end" was held by the Beijing Market Economy Research Institute headed by Professor Xiao Zhuozi. Reportedly, this institute will explore and study the key issues, difficulties, and hot issues of China's reform and opening.

Li Tieying Writes on Developing Reform Theory
HK2608030293 Beijing ZHONGGUO JINGJI TIZHI GAIGE in Chinese No 7, 23 Jul 93 p 6

[Article by Li Tieying (2621 6993 2503): "Research Into Theoretical Issues for the Guidance of Reform"; excerpted from Li Tieying's written speech in Haikou on 1 July 1993 at the "International Symposium on the Theory and Practice of China's Advance Toward the Market Economy"; headline supplied by ZHONGGUO JINGJI TIZHI GAIGE editor]

[Text] The economic structural reform is China's second revolution, and a new long march guided by Comrade Deng Xiaoping's theory about building socialism with Chinese characteristics. The reform is aimed at eliminating the problems of the economic structure formed under certain historical conditions in the past, at emancipating and developing productive forces, at improving and developing the socialist system, and at promoting social progress in all fields. In the past 14 years—from the rural areas to cities, from coastal areas to interior areas, from microeconomic activities to macroeconomic fields—the wind of reform has swept across China, changing the destiny of the 1.1 billion Chinese people, and attracting the attention of the whole world.

From Comrade Deng Xiaoping's talks during his inspection tour to the south early last year to the explicit announcement of the establishment of the socialist market economy structure by the 14th CPC National Congress, China's reform and development entered a new historical stage. There remain eight years until the end of this century, and the general task of reform is basically to complete the transition from the highly centralized planned economy to the socialist market economy and basically to establish the socialist market economy structure. To fulfill this glorious and arduous historic task, we are facing new opportunities and challenges in both the theory and practice of reform.

The theory of reform comes from the practice of reform. The establishment of the theory about the socialist market economy is not only a breakthrough and innovation of the traditional theory of political economy, but also a scientific summary of the market-oriented reform practice in China. The socialist market economy structure internally integrates public ownership with the market economy. In the socialist market economy, the market mechanisms play a fundamental role in the distribution of resources under the state's effective macroscopic regulation and control, and economic efficiency is combined with social fairness at a high level. Around such a target model, we still need to further study and answer some major theoretical questions. For example, the concrete form of the public economy inside the market economy, the goal and means of the government's macroeconomic regulation and control when the market mechanisms are playing a fundamental role, and the impact of the relationship between efficiency and fairness on the productive forces in society. Moreover,

where the economic and political structures meet, there is the question of correctly handling the relationship between the central and local governments. In the course of blazing a new trail on our own, according to our national conditions, there is a question of learning from and assimilating the mature experience of modern market economies. There also are questions about the relationship between reform and opening, between reform and development.

Since last year, our country has entered a new period of high-speed growth in the national economy and across-the-board transformation in the economic structure. The new situation also has brought about many new conditions and laid bare some deep-rooted contradictions and problems. For example, in the field of macroeconomic operation, the scale of investment was too large, gross demand in society grew too sharply, signs of overheating appeared in some areas of economic life, and inflationary pressures increased. These problems also showed that at present, the reform of the macroscopic economic regulation and control in our country is lagging behind the rapid market-oriented transformation of economic life. Therefore, when strengthening economic research, we should pay special attention to analyzing and studying some key points, difficult points, and hot points of current development and reform, and should work out effective countermeasures. At this meeting, it is hoped that our experts and scholars will speak their minds freely, without any misgivings, in order to pool their wisdom, and that they will put forward pertinent policy proposals for further deepening reform in the enterprise management, investment, financial and taxation management, banking, market development, social insurance, and foreign trade fields.

We now are situated in an era of reform and innovation, and it is also an era in which theory is flourishing and people of talent are emerging in large numbers. The establishment of the socialist market economy structure in China is an unprecedented great cause of the human race. Although we still may encounter twists and turns and difficulties in the course of our advance, and still need to make continuous explorations, sum up experience, and improve our policies and systems, we firmly believe that this cause is in line with China's national conditions and with the fundamental interests of the Chinese people. We will advance firmly and unwaveringly along this course, and also will welcome warmly the participation of overseas experts and scholars in this cause. Let us make joint efforts to add bricks and tiles to the grand mansion of the socialist market economy in China and make our contributions to it.

Song Jian Views Economic Development in Shanxi

OW2508063493 Beijing XINHUA Domestic Service in Chinese 0532 GMT 17 Aug 93

[By SHANXI RIBAO reporter Chang Shilong (1603 0013 7893) and XINHUA reporter Wu Lan (2976 1526)]

[Text] Taiyuan, 17 Aug (XINHUA)—During his 6-16 August inspection in Shanxi, Song Jian, state councillor and minister in charge of the State Science and Technology Commission, said that as a major energy producer Shanxi should develop its energy-oriented economy. At the same time, it should also spare no efforts in developing its local economy. Shanxi should simultaneously pay attention to both.

Song Jian inspected Datong, Shuozhou, Xinzhou, Taiyuan, and Changzhi. He said: Shanxi is a major province with rich natural resources. It is also an important coal production base. While striving to build the coal production base and develop various natural resources, Shanxi should work hard to develop the local economy. In addition to actively supporting the state's major construction projects, cadres—particularly those who work for prefectures and cities or organizations below that level—should focus on developing the local economy, especially the rural economy. Counties, townships, and villages should focus on developing agriculture and pillar industries related to the development and utilization of agricultural resources, which can not be replaced by the industrial mix of heavy industry.

Song Jian added: The transition from the state of having basic needs for the people to one of enjoying a relatively comfortable standard of living involves an arduous task and a major change of strategic importance. As far as China's vast countryside is concerned, it is necessary to rely on scientific and technological advances, local resources, and the development of agriculture and pillar industries related to the development and utilization of agricultural resources. This will be an effective measure enabling us to accelerate the development of the rural economy—especially that of high-yield, fine-quality, and high-efficiency agriculture—and thus truly break away from the confines of a closed natural economy.

Song Jian pointed out: In developing the rural economy, we must rely on scientific and technological advances, mobilize the enthusiasm of the broad masses of cadres and peasants, and gradually establish and expand pillar industries operating on a fairly large scale. Such pillar industries should be operated by a joint force of townships and counties. Each pillar industry should have leading enterprises to lead the masses of peasant households and small enterprises through the establishment and development of a socialized service system. Such enterprises should be operated on a fairly large scale, and efforts should be made to enlarge their operating scale appropriately so as to enhance their economic efficiency, greatly increase their labor productivity, and make it easy for them to apply scientific and technological advances to production. Such enterprises will in turn increase local financial revenues and will promote the living standards of the people. This is an inevitable way for us to move from the state of having basic needs for the people towards one of enjoying a relatively comfortable standard of living. In carrying out the Spark Plan and "vegetable basket" project in the future, we should focus on establishing pillar industries in rural areas. We

should have strategic perspectives, be courageous, and be determined not only to fight a big war but win it.

Song Jian stressed: In developing the local economy, we should try to attract talented personnel, strengthen our awareness of the importance of the market economy, and promote the level of commodity markets. Central to the current task is to establish a socialist market economy, accelerate the reform of administration systems and scientific and technological management systems, attract talented personnel to the front line, and develop new industries—especially advanced and new technological industry—as well as pillar industries in rural areas. While inspecting the Datong Mining Bureau, Song Jian talked on many occasions about the problems of diverging the flow of talented personnel. He said: By attracting retired persons with specialized skills to develop new industries, tertiary industries, advanced and new industries, and coal processing industries, we are able to enhance coal's added-value. In addition, we can create a better environment for miners' offspring and promote the local economy.

Song Jian repeatedly emphasized that as an inland province Shanxi should accelerate reform, open up wider to the outside world, and get rid of the closed-door mentality. He stated: Shanxi should not only open its door, but also walk out on its own. It should not only open up to our domestic market, but also accelerate its economic development by utilizing the geological, market, technological, and personnel advantages of its neighboring provinces, cities, and coastal areas including Beijing, Tianjin, and Hebei Province.

Daily Discusses Heilongjiang's Opening

HK2408141693 Beijing RENMIN RIBAO in Chinese
12 Aug 93 pp 1, 4

[Article From the "Notes on a Trip Along Heilongjiang Borders" column by staff correspondent Fei Wewei (6316 0251 0251), and HEILONGJIANG RIBAO correspondents Qi Nilian (2058 3136 5571) and Liu Dawei (0491 1129 5524): "The Northern Door Is Opening Increasingly Wider"]

[Text] Heilong Jiang flows slowly and gently, its water is clear, its lapping still sounding the same. For many years it has run continuously, pounding the banks in daytime and lapping them at night. But today, when it flows through the two estuaries—Silka He and Erkun He—it is greeted by a wholly different atmosphere.

Situated 8 km from the origin of Heilong Jiang is our country's northernmost village, Luoguhe, in Mohe County, composed of sheds built of rough-hewn logs, mud, and boards, and stacks of logs as high as a man's head are still seen beside the sheds. However, scaffolding has been erected, cement mixers are rumbling, and clusters of buildings that in time will make up future ports are sprouting up....

Downstream another 110 li is another of Mohe County's gateways to the outside world, Xingan village, where a three-story high building housing the county government and port inspection department is being constructed, but already bringing an air of modernization to this mountainous village of 30 or so households. When this place is officially opened for border trade this September, there will be a pontoon bridge across the river built by the Russian Far Eastern Military Region.

We travelled alongside Heilong Jiang from the mother-land's "northernmost" to the "easternmost" end, the place in our country which first meets the sun—Fuyuan County. Heilong Jiang takes in the running water of Wusuli Jiang, flows past Russia and Miao Jie into the Tatar Strait. Probably only a few people know the "easternmost end." But the day when the "easternmost end" is known to more people than the "northernmost end" is not far off, because a new port town is going to appear here. When covering news here at the end of June, we learned that two firms from Macao and Guangdong had officially signed an accord with Fuyuan to invest 115 million yuan in Wushu, Fuyuan to build a pontoon bridge across the river. Before this, Fuyuan had signed with Zhuhai a 100 million yuan investment deal for upgrading and expanding the Fuyuan Airport. Hordes of foreign firms optimistic about Fuyuan are arriving. The first half of this year saw the registration of 165 foreign firms.

The winter clouds of the Cold War have completely dispersed, and the 20 or so towns, each one of them having a Russian counterpart on the other side of the border, are all busy launching infrastructural projects. Raohe County, which became known to the country and the outside world through the Battle of Zhengbao Island, has also lifted its veil. Facing it across the river is the Russian Bikin City, a 16-line train classification yard for the great Russian Transiberian Railway. Raohe City is very ambitious: Its 20 million yuan port facility project is completed, its 20,000 program-control telephones operational, and its microwave communication with Bikin City a success. It is now planning a suspension steel bridge crossing, an airport, and a standard state-grade highway.

In the south is Shenzhen He, and in the north, the Hei He. Unlike the recent Mohe and Raohe port city developments, Heihe City is one of the four State Council-designated cities to open to the outside world and in a league of its own. A forest of scaffolding and rumbling pile drivers and mixers are daily changing the face of the country's largest border trade port city. Cao Zhen, the city party secretary, told us that in terms of construction area, the city now is at least twice as large as it was two years ago, and total construction investment in the city since 1985 amounts to five or six times that for the previous 35 years. Heihe City is greatly excited by the fact the construction of the Sino-Russian Heilongjiang Bridge—the first highway bridge crossing the Heilong Jiang—will start some time this year. The Chinese and

Russian governments have reached accord on a cross-river tourist cable car project, drawing the two world powers closer.

From "northernmost" to "easternmost ends" and from Heilong Jiang to Wusuli Jiang, the motivation to open up has never been this strong and urgent. Huma is a small county living on an annual 8 million yuan subsidy. The county secretary each day goes to work on his bike in order to save gas. Earlier, the county leading comrades, after waiting for it in Beijing for 105 days, finally obtained the document approving the opening up of the county. The county meanwhile had already launched construction measures. In the warm river breeze, the county party secretary led us on a tour of a new port zone with an earmarked 10 million yuan in investment. He turned to point out the county party committee and government office building for us and said that the county party committee and government would move out of the building to make room for the joint inspection department, until the new joint inspection complex was completed.

Raohe, its name meaning "rich," is not rich at all. Many cadres still carry with them receipts of expenses incurred in work trips two years ago. The reimbursement is estimated to top 100,000 yuan. But many cadres are still eager to undertake business trips to Beijing and places in Heilongjiang Province to attract foreign investment and to establish lateral ties, even at their own expense. On 5 July, the day we arrived in Raohe, the county's first course in foreign-involved trade and economy opened at a capacity-filled conference room capable of housing over 100 people. The students included leading cadres from county departments, committees, offices, and townships and towns. The county had hired specially a teacher from provincial capital Harbin for the course. County Vice Governor Wang Erfu said the county will make it a month-long course and will run several such courses a year.

Cities and counties along Songhua Jiang are also opening up their doors. In Jiamusi, we had boarded the hydrofoil bound for Fuyuan, the crew told us that the hydrofoil next to ours would be carrying back the Russian tourists resting in the departure hall with their packs of luggage to Chabarinsk, a Russian city across Fuyuan. At Yanjiagang Airport in Harbin, when we were fastening the seat belt at an air stewardess' reminder, we could see through the window that a plane on Harbin-Irkutsk-Siberia route was taking off on the runway....

In 1986, there was only one port city, Suiyuan, on the 3,000 km long Heilongjiang border. In a matter of six to seven years, first-line border port towns and cities mushroomed into large numbers, like clusters of stars. A document from the Heilongjiang Provincial Port City Office shows that the province's 21 opened ports now account for one tenth of the country's state-approved opened ports. They are: One railway port, three airports, four highway ports, and 10 border river ports; there are another three river ports on the Songhua Jiang. With

water, land, and air interconnections, it is a full-scale opening up. A complete opening-up belt and an optional international passageway are taking shape. Last year, these ports handled 2.03 million tonnes of cargo, and gross border trade value amounted to 2.12 billion Swiss francs, two thirds of the country's total border trade.

Heilongjiang is very ambitious. On 7 July, a Longtui 610 cargo vessel sailed from Fujin Port with 2,000 tonnes of maize, and using the river- and ocean-sailing turbine provided by the Russian Amur Civil Aviation Bureau at Fuyuan Port, sailed down Heilong Jiang into Russia, arrived at the Sakata Port of Japan through the Tatar Strait, and thus became the province's first river- and ocean-sailing purpose cargo vessel to set sail to the sea this year.

Under the directives of Heilongjiang high level leaders, the province's transport industry is evolving from bank-to-bank crossings into crossing of national borders, its single-means transport diversifying into a variety of means. Wang Zongzhang, Heilongjiang vice governor, stated explicitly that all ports along the border would open up; and, through airports and extending water and land transport lines, all large and medium-sized cities, inland counties, and towns with conditions are also opening up for outside trading. Moreover, "the road and communications will extend to wherever there is a port city."

Heilongjiang is marching toward the "international gateway."

The northern door is opening increasingly wider.

Official on Performance of Special Economic Zones

HK2608110393 Hong Kong MING PAO in Chinese
25 Aug 93 p 15

[Report by staff reporter Yang Liu (2799 2692): "Hu Ping Praises Remarkable Economic Performance of Special Economic Zones"]

[Text] Hu Ping, director of the General Office of Special Economic Zones [SEZ's] under the State Council, who took up the post only a short time ago, said: The story on SEZ's will continue to be written. The economic development in SEZ's is far from coming to an end, and there are still a lot of development opportunities and regional superiority that can be used to attract foreign businessmen to make investment there in the future.

Today, in China's omnidirectional openness, what is the superiority of SEZ's? Answering this question, Hu said: The omnidirectional opening pattern that China has deployed is the historical necessity of the further development of reform and opening up now being practiced in China. But the SEZ's will continue to play their role at present and in the future.

He said: It seems that the practice of adopting preferential policies to introduce foreign investment works to a certain extent in some mainland cities now. However, after a dozen-year head start of development over other localities, it is unlikely that the five SEZ's can go on attracting foreign investment merely depending on some preferential policies in terms of taxes, profits, land prices, and so on at the present stage.

Hu further said: After a dozen years of development, the SEZ's of Shenzhen, Zhuhai, Xiamen, Hainan, and Shantou have made more outstanding performance than other inland cities in respect of funds, qualified personnel, and convergence with the international market economy, and they can still rely on the regional superiority of being close to Hong Kong, Macao, and Taiwan to attain further development.

Hu Ping said: Although China's export trade as a whole did not exhibit a large margin of increase in the first six months as compared with the corresponding period last year, the export trade and industrial production in the five SEZ's still performed excellently. Take Xiamen and Shenzhen SEZ's as an example: the export volume in the first six months increased by over 30 percent over the same period last year, which was much higher than the national average of 6.5 percent in this period.

Import and export volume in the five SEZ's showed a substantial growth, of which, Shenzhen SEZ ranked first among the five with export and import volume totalling \$3.08 billion and \$2.92 billion, respectively in the first six months.

Regarding import of foreign capital, Shenzhen, Xiamen, and Zhuhai SEZ's also scored remarkable gains in the first six months, and the number of newly approved foreign investment projects increased by a comparatively larger margin than the corresponding period last year. Up to now, over 6,000 foreign-invested enterprises or projects have been approved by Shenzhen SEZ, also ranking in the top five SEZ's in terms of the number of projects imported.

Regarding the problem that affects Hainan, Zhuhai, Shenzhen, and other places in the recent screening of arbitrarily granted bank loans conducted by the central authorities, and the investment funds recalled by some landlocked provinces, Hu Ping said: The withdrawal of funds cannot exert a major impact on the economic development in the SEZ's as a whole. On the contrary, this will further optimize the investment climate, and it is believed that more multinational corporations and large companies with actual strength will be attracted to make investment there.

Hu Ping pointed out: It is imperative to avoid overheated real estate in the SEZ's. While welcoming foreign businessmen to make investment in the processing industry and real estate in China, the authorities will welcome to a greater degree the foreign investment in such projects as energy, communications, and high science and technology.

Construction Official on Real Estate Development
HK2608122493 Hong Kong *WEN WEI PO* in Chinese
25 Aug 93 p 2

[Dispatch from Guangzhou by staff reporter Ta Tan-Hui (6223 0030 1979) and trainee reporter Lin Ling (2651 1545): "China Will Continue To Expand Real Estate Business, and Annual Turnover of 400 Billion Yuan Is Expected in Coming 20 Years"]

[Text] Guangzhou, 24 Aug (WEN WEI PO)—China's decision to strengthen macroeconomic control and to bring financial order out of chaos will certainly have an impact on the real estate industry in some areas; however, the retrenchment policy was designed to hold in check the blind, runaway, and illegal operation in the property market instead of curbing the real estate industry, so that the real estate industry will develop in a stable and healthy way in the future, said Bao Zonghua, director of the State Construction Ministry Policy Research Center, at a press conference held here today.

Bao Zonghua made a special trip to Guangzhou to attend the seminar on the formation of China's property market and urban development jointly sponsored by the United Nations Regional Development Center and Guangzhou.

Bao Zonghua said: The real estate industry is a forerunning industry. Last year, all walks of life stepped up economic development. Under the circumstances, it was understandable that the real estate industry became a popular industry nationwide. The real estate industry played an active and important part in promoting development of the national economy as a whole, and this should be adequately affirmed.

Bao pointed out: Since last year, the most outstanding problems with the property market have been caused by ineffective macrocontrol and the faulty legal system. In 1991, there were 3,700 real estate development companies across the land. According to statistics compiled by the Administration for Industry and Commerce, the figure soared to 17,000 last year, and to 20,000 this year. The money supplied to the industry amounted to 100 billion yuan.

He added: The runaway development of the real estate industry has everything to do with profit. The profit from the real estate industry should be higher than the social average after-tax profit rate of 20 percent. If the profit rate of the real estate industry is more than 30 percent, it will be more rational and this will also stimulate its own above-average development. However, the profit rate of real estate in many places was 100 or 200 percent, or even higher last year. This is what our Japanese friends called a "bubble economy." Motivated by high profits, people in all walks of life turned to the real estate industry and funds flew to the industry. This is the main reason for the real estate industry getting out of control.

Bao Zonghua, who has conducted research on real estate industry policy for many years, said: To ensure healthy development of the real estate industry, the most important thing is that the government must monopolize the leasing of land. The government can hold an auction and grant land-use rights to the highest bidder so that the government will gain the high profit and leave 30 percent profit to property development companies.

At present, China's property market is still very small, but it has great potential. The total turnover of the property market nationwide was 40 billion yuan last year, accounting for 0.5 percent of the gross value of the real estate, which is 8 trillion yuan. In some countries the corresponding percentage is 10 percent. Therefore, we should work hard to set up a unified, open, competitive, and orderly property market. China will take 15 to 20 years to raise the turnover of its property market to 5 percent of the total value of its real estate, namely, 400 billion yuan every year. In the future, the real estate industry will remain a pillar industry which will develop before other industries and it is full of promise.

Concerning the use of foreign funds to develop the real estate industry, Bao Zonghua maintained that the influx of foreign funds has little impact on China's property market. China will continue to welcome foreign businessmen to invest in the real estate industry, but the houses they build should be sold abroad. In principle, China will only approve foreign investment in large-scale construction projects.

Commentator Calls For Improved Production Safety

HK2608065293 Beijing *RENMIN RIBAO* in Chinese
20 Aug 93 p 1

[Commentator's article: "Pay Close Attention to and Do a Good Job in Production Safety"]

[Text] There has been a spate of extraordinarily serious accidents over the last two months. On 23 July, a Northwest Airways passenger plane crashed at Yinchuan Airport; on 5 August, a dangerous goods warehouse in Qingshuihe, Shenzhen exploded; and on 12 August a huge fire engulfed the Longfu Building in Beijing. These serious accidents caused untold damage to people's lives and state property, and were heart-rending and shocking. It is time we took a hard look and started serious efforts on the problem of production safety!

This June the State Council called a national work teleconference on production safety and in July it issued a circular on strengthening production safety, urging measures to control and reduce accidents. However, it failed to garner sufficient attention from certain units, with the result that there has been a run of accidents. Leaders of localities, departments, and enterprises should learn from these lessons, move immediately, and adopt effective measures to firmly implement various State Council demands to ensure production safety.

Production safety affects the fortune of enterprises and people's personal safety, happiness, and social stability and development. It is entirely correct to pay attention to economic efficiency in developing a socialist market economy. At the same time we cannot neglect production safety. Production safety and economic efficiency are two sides of the same coin. What economic efficiency is there when there is no safety in production, but possible losses in lives and property?

To ensure production safety, it is necessary to observe the principles of "safety first and focusing on prevention" and "holding the persons in charge accountable." Chief leaders of localities, departments, and enterprises must attach great importance to work in production safety, build and perfect a production safety responsibility system at all levels, and allow leaders and contingents especially responsible for production safety to play a full role. They must go down to the production frontline to investigate, study, and plan production safety work, so that measures and methods are in place to readily deal with problems and there are leaders assuming responsibility for any problems. On this basis, they will build a production safety system in which there are corporate responsibility, industrial supervision, government monitoring, and public awareness, each having its field of work and responsibility. At the same time they must strengthen scientific research and boost scientific and technological inputs in production safety to enhance firms' ability to stave off various disasters, popularize safety and disaster-control knowledge, and raise overall production safety standards. They must investigate the causes, handle seriously, learn the lessons of, and draw conclusions from incidents that involve responsibility, are serious in nature, and caused enormous damage.

Improving the quality of personnel is the key to ensuring production safety. To achieve production safety, the state has formulated rules and regulations, and many localities have production safety provisions. Problems occur when a good number of firms are not enforcing them strictly. There have been repeated violations of safety codes in work instructions and operations and of labor discipline which were the direct cause of many of the incidents. We can say reasonably that this reflects, first of all, the poor quality of corporate leaders. Modern production safety facilities are important, and firms should install all the necessary safety facilities. However, even advanced facilities are useless without good, trained operators. From now on, we must vigorously strengthen the education of worker populations in production safety, insist on training personnel before allowing them to take up posts, and raise their safety awareness and vocational quality.

At present, localities should quickly launch a production safety inspection activity to uncover and weed out all the problems and hidden troubles concerning production safety, and should take precautions before there are any problems. Inspections should focus on departments and enterprises for which production safety is of particular importance, such as dangerous goods warehouses, to

insure against all possible hazards. Problems uncovered should be dealt with through practical measures and should be remedied within a specified time. Firms that fail to meet safety requirements within the specified time will be shut down for overhaul by the safety departments concerned on the strength of powers conferred on them by law. Leaders at all levels must adopt a highly responsible attitude toward state property and people's lives, and must make urgent and solid efforts in production safety work.

Producers, Sellers of Fake Goods Sentenced to Death

OW2608110093 Beijing XINHUA in English 1047
GMT 26 Aug 93

[Text] Beijing, August 26 (XINHUA)—Three producers and sellers of fake goods were sentenced to death today in China by local courts. The sentences were also approved by the Supreme People's Court.

This was announced by the vice president of the Supreme People's Court, Liu Jiachen, here this afternoon.

Wang Lingang, 33, an unemployed man from Sichuan Province, southwest China, on three occasions sold fake chemical fertilizer, which damaged about 1,340 hectares of crops.

Wang earned 118,000 yuan of illegal profits from the deals, and returned only 4,000 yuan of this sum after he was arrested.

Han Shulin, 44, was previously jailed for six years for crime of fraud. Han, from Yunnan Province in southwest China, produced a large quantity of fake cigarettes of "Hongtashan" brand, the most popular cigarette in China, from February to July 1992, falsely using an army unit's name. His fraud severely hurt interest of consumers and caused the state four million yuan worth of economic loss.

It was not revealed how much money Han gained, but the court was told that this is "the largest case" of its kind so far.

Bai Wusong, a 24-year-old peasant from Anhui Province, east China, produced and sold fake medicine for injections from July to September 1992, which led to the death of three children and serious coma for another patient.

This is the second time that China's courts have sentenced to death criminals for producing and selling fake products. Last November, China sentenced Luo Deming to death, who had illicitly produced and sold "Maotai" liquor, China's well-known strong spirits.

The Supreme Court vice president told the news briefing that in recent years, quite a number of people broke laws as a "short-cut" to become wealthy through producing and selling fake products. Some even worked together

with people from outside the Chinese Mainland in importing or exporting fake products.

"If such illegal activities are not severely punished, the state interests, the rights and interests of consumers, and China's system of socialist market economy will certainly be damaged," said the vice president.

Thefts From Oil Fields Causing 'Serious Losses'

HK2508145693 Beijing ZHONGGUO XINWEN SHE
in English 1340 GMT 24 Aug 93

[Text] Beijing, August 24 (CNS)—Public order around China's oil fields has become worse and worse, with the theft of crude oil by what are known as "oil rats" increasing in ever larger amounts and causing serious losses to the country's oil industry.

General Manager of the China Oil and Natural Gas Corporation, Mr. Wang Tao, speaking today at a press conference, said that in recent years the theft of materials and goods at oil field sites, the stealing of oil field assets and oil itself by organized criminals have been frequent, resulting in losses to China's oil industry of RMB [renminbi] 1 billion annually.

According to statistics released by the corporation, on June 23 this year, a higher pressure gas well under the jurisdiction of the North China Oil Administration was destroyed by such criminals causing a strong gush of gas with the amount lost daily put at 500,000 cubic metres and resulting in a big fire. On June 27 this year, a group of more than 40 farmers stole oil at a well at the Shengli Oil Field, likewise causing a fire in which two of the farmers perished and six others left seriously injured.

The need, said Mr. Wang, is for the strict carrying out of the law and the strengthening of the education of farmers as well as curbing the operation of various kinds of small refineries using the oil stolen in this way.

Auditing Service Said Making Progress

OW2608123493 Beijing XINHUA in English 1104
GMT 26 Aug 93

[Text] Beijing, August 26 (XINHUA)—China's social auditing service has achieved rapid development in the drive for reform and opening-up to the outside world.

By the end of June, China had a total of 3,121 auditing agencies with 29,943 employees, 13,275 of whom have middle-level professional qualifications.

In the first six months of this year, the agencies in various localities handled over 600,000 auditing and consulting matters, 76 percent increase over the same period last year.

More than 54,000 people have been trained in accounting, auditing, and economic management by the agencies in the first six months of this year, 4.6 times more than in the corresponding period last year.

The agencies have uncovered falsely registered assets worth 3.4 billion yuan (about 560 million U.S. dollars) in appraisals of the registration of new firms.

Industrial Cooperatives Symposium Closes in Shaanxi

OW2508144993 Beijing XINHUA in English 1428
GMT 25 Aug 93

[Text] Xi'an, August 25 (XINHUA)—A symposium to mark the 55th anniversary of the Chinese Industrial Co-operative Association (CIC) closed yesterday.

The five-day event was held in Baoji, a city west of this capital of northwest China's Shaanxi Province, where China's first industrial co-operative was founded in 1938 by Edgar Snow and Rewi Alley, and a group of Chinese, including Hu Yuzhi and Chen Hansheng.

The CIC made a great contribution to the Chinese people's resistance to the Japanese invasion.

Participants from the United States, Japan, Egypt, China and other countries exchanged information on the development of international industrial co-operatives and explored the future of the co-operatives during the meeting.

Helen Snow, wife of Edgar Snow and also one of the founders of the CIC, sent her congratulations to Lu Guangmian, deputy president of the CIC.

Israel Epstein, vice-chairman of the International Committee of the CIC and a member of the Standing Committee of the Chinese People's Political Consultative Conference, and Sheril Bischoff, niece of Edgar Snow, took part in the symposium.

Aid for Rural Industry in Central, West Regions

OW2508145193 Beijing XINHUA in English 1422
GMT 25 Aug 93

[Text] Beijing, August 25 (XINHUA)—The State Economic and Trade Commission has called on the economic and planning commissions in localities to support the development of rural industry particularly in central and west China.

It has urged them to co-operate with agricultural departments and the agricultural bank to solve major problems in the development of rural enterprises such as difficulties in transportation and getting information.

It called for an acceleration of the development of the market system and promotion of organic integration between rural industry and circulation.

The commission should lift limits as appropriate on the import and export authority of rural enterprises in central and west China, and enhance the training of the managers of the enterprises and government leaders in these areas.

The commission urged the local governments to put on top of their agendas support for the development of rural enterprises and implement to the letter the State Council's decision on accelerating the development of rural enterprises in central and west China.

Chen Junsheng Urges Improving Socialized Farm Services

OW2408212493 Beijing XINHUA Domestic Service in Chinese 1130 GMT 18 Aug 93

[By reporter He Jingsong (6320 0513 2646)]

[Text] Beijing, 18 Aug (XINHUA)—Speaking today at a forum on the network of socialized agricultural services comprising supply and marketing cooperatives, State Councillor Chen Junsheng said emphatically: A very important task in increasing agricultural production and developing the rural economy is to improve the network of socialized agricultural services and to promote significant rural economic development.

During the three-day forum, delegates from seven counties and cities across the country shared their experiences about how supply and marketing cooperatives provide a variety of services to peasants as part of their efforts to establish a network of socialized agricultural services.

At the forum, Chen Junsheng said emphatically: Despite the current favorable trends in agriculture and the rural economy, we are confronted with problems arising from our difficulty in buying and selling farm produce, growing agricultural output without increases in revenue, and the excessive financial burden borne by peasants. All localities and departments should seize the current favorable opportunity afforded by tighter macroeconomic control to further deepen rural reform by improving the network of socialized agricultural services. He stated: We have achieved world-renowned results in agricultural production and the rural economy since we implemented the household contract responsibility system with remuneration linked to output in the agricultural sector. Agricultural production under decentralized management, however, must be supported by unified socialized services in the interest of solving the conflict between small-scale production and diverse market demands. Supply and marketing cooperatives are cooperative economic organizations that serve peasants' own needs. They have a fine tradition of serving the peasants and possess strong credentials in providing services. They should play an even greater role in improving the network of socialized agricultural services.

On reforming and improving the management system and operational method for supply and marketing cooperatives, Chen Junsheng noted: We should "return these cooperatives to peasants" to truly convert "government-run" grass-roots supply and marketing cooperatives in rural areas into "civilian-run" entities that share peasants' interests. This will make peasants genuinely feel

that these cooperatives are their own economic organizations. Supply and marketing cooperatives should turn toward the market and develop themselves into all kinds of specialized or general cooperatives that provide extensive services ranging from production to commodity distribution. We should encourage supply and marketing cooperatives to make full use of their strengths and to forge wide-ranging contacts with relevant departments in rural areas, such as grass-roots scientific and technological departments. This will enable them to supplement each other's advantages, provide extensive services, and produce large-scale returns. Governments at all levels should improve leadership over supply and marketing cooperatives and create a stable and favorable external environment for grass-roots cooperatives. We should actively provide guidance and make every effort to integrate trade, industry, and agriculture in rural areas with the aim of promoting all-around development in the secondary and tertiary industries in rural areas.

Chen Junsheng, Liu Jiang On Agriculture Laws

OW2508101193 Beijing Central People's Radio Network in Mandarin 2200 GMT 16 Aug 93

[“Speeches” by State Councillor Chen Junsheng and Agricultural Minister Liu Jiang; introduced by unidentified host on “Rural Areas” program; place and date not given—recorded]

[Text] [Program Host] The following are the recorded speeches of State Councillor Chen Junsheng and Agricultural Minister Liu Jiang on the topic: “Earnestly Implement the Major Agricultural Laws and Constantly Develop Our Country's Agricultural Economy”

[Chen Junsheng] The Agricultural Law and the Agricultural Technological Promotion Law fully affirm the experiences of reform in rural areas and provide a sound legal basis for the further reform and development of agriculture and the rural economy. I believe that the formulation and implementation of the two laws have received support from hundreds and millions of farmers and will definitely and greatly promote the socialist market economy in the rural areas. As our country is moving from a planned economy to a socialist market economy, establishing and perfecting a legal system for a market economy in rural areas is part of important efforts to nurture and develop a socialist market economy in rural areas. All levels of people's governments, particularly cadres at various levels, should pay a lot of attention to the role of the law in guiding and developing the rural economy, and to making more use of economic and legal means to guide and manage agriculture. It is necessary to strictly enforce the law and abide by the law. All localities and departments should enthusiastically maintain the authority of the state and the CPC Central Committee and implement the two laws. All localities and departments should also immediately work out measures to disseminate the two laws among the farmers so that hundreds and millions of farmers will quickly understand and abide by the two

laws and learn to use them to develop the economy and protect their rights and interests. In addition, it is also necessary for localities and departments to take the local situation and the situation in their departments into consideration when implementing the two laws. Under the leadership of the State Council, we will surely implement well the two agricultural laws. It is hoped that all will make concerted efforts, work hard, and contribute to the constant development of our country's agriculture and rural economy.

[Program Host] In his speech, Agricultural Minister Liu Jiang said:

[Liu Jiang] Agriculture is the foundation of our country's economic development, social stability, and independence. The premise for the stability and development of the national economy lies in agricultural stability and development. Since the founding of the new China, our party and government have always paid a lot of attention to agriculture. Achievements in our country's agriculture, in reform of the rural economy, and in rural development, particularly since implementing the policy of reform and opening to the outside world, have attracted worldwide attention. With the progress of economic and social development, however, it has become difficult to attract funds for agriculture and personnel to engage in upgrading farm technology. Therefore, unless the state provides a strong guarantee, particularly in the form of a legal guarantee, agricultural development will be susceptible for upheavals, which will affect the stable development of the entire national economy. A legal guarantee is also required in order to accelerate the dissemination of agricultural technology and promote the quick application of agricultural scientific results and practical technologies in agricultural production. Looking at the experience of some countries in the area of agricultural legislation, I notice that they have devised a series of agricultural laws to commercialize farm produce and to modernize agriculture. They have achieved remarkable results through the use of laws to manage agriculture. Therefore, formulating and implementing the Agricultural Law and the Agricultural Technology Promotion Law is the objective requirement to protect agriculture and develop a socialist market economy in rural areas. The Agricultural Law is China's first agricultural law with the nature of a basic law. The Agricultural Technology Promotion Law is the first law in our country to promote the work of agricultural technology. The formulation and implementation of the two laws means that the establishment of a legal system for the socialist market economy in our country's rural areas has entered a new historical stage, which will definitely play a great role in guaranteeing the position of agriculture as the foundation of the national economy, safeguarding the legitimate rights and interests of farmers, and promoting the development of a socialist market economy in rural areas. To ensure a down-to-earth implementation of the two laws, localities and relevant departments should take immediate action, study seriously, disseminate, and implement the Agricultural Law and the Agricultural Technology Promotion

Law. It is hoped that society will support the two laws and make the two laws known to every household in rural areas as quickly as possible. Localities and relevant departments are urged to check existing and planned laws, regulations, policies to see if they are in line with the two agricultural laws. Those found to be in line should be resolutely implemented; the rest should be rectified at once. Such practices as the collection of fees from farmers and farm production and operation organizations, and the imposition on them of fines, levies, and fund-raising in violation of the Agricultural Law should be stopped at once. It is necessary for localities to enhance leadership over the work of agricultural technology promotion in a down-to-earth manner in line with the spirit of the two laws and improve the operation of farm technology promotion organs and working conditions of technical personnel. Not only should the budget for farm technology promotion not be arbitrarily diverted, it should be appropriately increased as financial revenue rises. Departments and units are prohibited from diverting assets owned by townships and villages. It is necessary to get down to the business of formulating supplementary laws and regulations. Initial work in this area has started, with the formulation of the agricultural investment law, for instance. The drafting of regulations on farmland protection has started. Localities should formulate relevant agricultural laws and regulations in line with the principle and stipulation of the Agricultural Law. Finally, agricultural departments, guided by the leadership of local governments, are urged to offer suggestions to, find solutions for, and help straighten out the relationship among planting, forestry, animal husbandry, fishing, water conservancy, meteorological, and farm service units, in order to generate a great force to implement the good agricultural laws and to ensure the smooth implementation of these good laws.

Export-Oriented Agriculture Discussed

HK2608114593 Beijing NONGMIN RIBAO in Chinese
17 Aug 93 p 1

[Speech delivered by Yang Yongzhe (2799 7167 0772), deputy director of the State Council Research Office, at the national symposium on export-oriented economy of rural areas: "Sum Up Successful Experience, Develop Foreign-Exchange Earning Agriculture"]

[Text] Agricultural products and their processed products have always formed a major part of China's exports and the country's foreign exchange revenue. There have been some new changes in the situation since reform and opening up. China would even be faced with new competition on the international market and would more badly need to strengthen its position in this regard if it managed to restore its status as a signatory to the General Agreement on Tariffs and Trade. As viewed from the actual circumstances, some new contradictions and problems have emerged as China has made big strides in economic development. One of these contradictions and problems is the remarkable growth in the import volume in contrast with a decline in the export

volume. In many localities, agriculture and export trade are not prosperous, whereas people are carried away by the fever in establishing development zones and developing a real estate industry. In order to implement the guidelines laid out by the CPC central authorities and the State Council on intensifying macroeconomic regulation and control, and to sustain high economic growth, we need to make many efforts, including expanding exports and increasing foreign exchange revenue. This symposium on the export-oriented economy of rural areas sponsored by NONGMIN RIBAO is of important practical and far-reaching significance.

With regard to the development of export-oriented economy, many departments and localities have already held many symposiums on theoretical research. But the current symposium sponsored by NONGMIN RIBAO provides a rare occasion in which entrepreneurs who have experience with the international market, have succeeded in exploring the market, and have a firm foothold are invited to participate to present their personal experience. The views aired in this meeting are no empty talk. Everyone is eagerly looking forward to exploring the market and is making every effort to earn foreign exchange through export trade. But how are we going to explore the market, what problems and difficulties are we facing, and how are we going to overcome them? Theoretical discussion alone is far from enough. We need to look into practice as well, because, after all, facts are the most eloquent proof. Since the market is very large and very complicated, it is of great significance to have a number of successful enterprises and entrepreneurs to present their experience, to tell others the stories about the hardships they have experienced in exploring the international market, in overcoming various difficulties, and in winning victory, so that more enterprises will be inspired on their way toward the international market.

Developing foreign-exchange-earning agriculture can provide new job opportunities to a great number of laborers in rural areas and will offer more chances for people to get rich. In every village with export-oriented enterprises, the labor force has been fully utilized, and the peasants there have had their income increased by a wide margin. This is a great contribution. The Shanghai Dajiang Company Limited, whose representative is participating in the symposium today, has been encouraging peasants to raise chickens. As a result, more than 1,000 peasant households have seen their annual household income increased to over 10,000 yuan. Now the company is building 21 chicken farms in impoverished townships and villages to accommodate a large number of laborers. These farms, which are to be run in the form of intensive production, will enable more peasants to get rich and contribute to the exploration of the international market. We can achieve high output and tap local potential by giving full play to our advantage in the abundant labor force, developing labor-intensive enterprises, and applying high technology. This is indeed a key to success.

As seen from the development trend of agricultural production in China, agriculture itself is undergoing a major evolution amid the changing of the domestic and overseas markets. First, as far as agriculture is concerned, while striving to fulfill the goal of increasing the per-unit-area yield of grain and cotton and constantly raising gross output to meet the state and people's demand, we have tried our best to set aside more farmland for the growing of industrial crops and high-yield crops. These are the main crops to be exported in exchange for foreign money. Yantai City has planned to devote 3 million mu of farmland to high-yield intensive farming so as to raise its grain output to 2.75 billion kg, which will be more than local demand. Then another 1.6 million mu of farmland will be set aside for the growing of high-output-value industrial crops that promises foreign exchange revenue, with a view to remarkably increasing the peasants' income. Furthermore, the growing of high-yield industrial crops will employ a large number of laborers, while the export of such crops will add to foreign exchange earnings. In the past 14 years since 1979, despite the decrease in the area of farmland for grain growing, this country's gross grain output has kept on increasing and reached 870 billion jin. This achievement is attributed to the application of science and technology, and the efforts to increase per-unit-area yield and to constantly raise the gross output. While ensuring the supply of grain to meet the state and people's demand, we have set aside some farmland and land resources for growing of high-output-value industrial crops to suit the needs of the domestic and international markets. This reform has in general scored good results throughout the country.

Second, while keeping up production of farm products, we have started promoting processing industries as well as transport and marketing services. We are to link up primary, secondary, and tertiary industries so as to develop a high-return agriculture at different levels. We will no longer confine our operations to the growing and selling of raw materials alone, because such an operation only promises limited returns, and it cannot fully suit the needs of the market. If we start raising chickens, pigs, and cattle along with raw material production, and then further develop processing industries, as well as transportation and marketing, and, on this basis, start exploring the domestic and international markets, then the agricultural output value will accrue at successive stages, agriculture will further expand into a still larger production sector, and the status of agriculture as a sector simply relying on crop-growing will be substantially changed. A monosodium glutamate factory in Xiangcheng County, Zhoukou Prefecture, Henan consumes 600 million jin of corn as raw material each year. This amount doubles Xiangcheng County's total annual corn output. So, the corn price in the county has been raised by 200 percent. In this way, the monosodium glutamate factory has created 8,000 jobs for local people and enabled the county to increase its annual financial revenue by 30 million yuan. Thus the county's situation as "a county with limited financial resources despite high agricultural output" has been changed.

Zhucheng, Shandong Province is well known for chicken farming and its products are exported to Japan. As the county's chicken farms consume a large quantity of corn as feed, grain produced in this county can be easily sold out. The development of processing industries can help solve problems regarding grain sale, financial revenue, labor employment, and so on. Thus it can be seen that running processing industries and transportation and marketing on the basis of farming has now become a new pattern of economic development for rural areas. These aspects of the evolution of agriculture are to suit the needs of export-oriented and foreign-exchange-earning agriculture, and they also serve as favorable conditions for agricultural development.

In the making of the new rural economic pattern, leading enterprises which integrate trading, industry, and agriculture have played an exemplary role and served as a motive force. They have gathered hundreds of thousands of households together, plunged them into the market, and brought them into a new development track. Now and in the future we must give support to these leading enterprises in terms of policy and credit. At the same time, export-oriented enterprises which have accomplished a certain export volume should be authorized, in accordance with the state regulations concerned, to run import-export business so that they can more readily explore the overseas market. Now, new progress has been made in the process of integration of trading, industry, and agriculture. For instance, the development of leading enterprises in Weifang City has not only resulted in the combination of different business operations and the rise of some operational organizations integrating trading, industry, and agriculture, but it has also led to the establishment of combined entities in which enterprises and peasants share interests and risks. The enterprises have been sharing with peasants the profits derived from the processing business; supporting peasants by paying them in advance deposits

for processing work and providing them with low-interest-rate loans, seeds, seedlings, and feed; and extending aid to those peasants who have suffered great losses caused by natural disasters. This has resulted in a kind of deep linkage between the two sides. Recently a newspaper reported that brickyards in Jiangshan City, Zhejiang Province had joined to form a trade association. In the past, since there were many brickyards and the supply of products exceeded the demand for them, brickyards tripped over one another in a race to promote sales by reducing the price. As a result, the selling price was much lower than the production cost. After the association was set up, all member brickyards now work together to plan out production, set output limits, and fix prices, thus eliminating disorder in production and protecting their own interests as the producers. People call this association Jiangshan City's "OPEC." We may take their experience for reference, and encourage the development of more trade associations of enterprises integrating the operation of trading, industry, and agriculture and of other kinds of enterprises of similar nature, and thus do a better job in pushing hundreds of thousands of households to plunge into the domestic and overseas markets.

Correction to Item on State Council Inspection
OW2508082993

The following correction pertains to the item headlined "State Council Plans 1993 Finance Inspection," published in the Economic & Agricultural section of the 24 August China DAILY REPORT, pages 38-40:

Page 40, column one, first full paragraph, from end of last sentence, make read: ...judicial organs for punishment according to law. [new paragraph]

Leading departments at all levels.... (providing dropped letter and period)

North Region**Activities of Beijing's Chen Xitong Reported****Discusses Township Enterprises**

SK2608084593 Beijing BEIJING RIBAO in Chinese
29 Jul 93 p 1

[By reporter Wang Zengmin (3769 1073 3046): "Township Enterprises Should Have Courage To Become Presentable"]

[Excerpts] When conducting investigation and study at the Kaite Vehicle Group Company in the Yushuzhuang Village of Fengtai District on 28 July, Chen Xitong, secretary of the municipal party committee, emphasized that township enterprises should have the courage to become presentable.

Established in 1987, the Kaite Vehicle Group Company is a village-run enterprise to produce refitted vehicles and motorcycles. Its production doubled and redoubled every year, and its output value exceeded 100 million yuan last year. Chen Xitong and other municipal leaders, including Yang Chaoshi, Duan Bingren, and Duan Qiang, first looked at some sample vehicles and visited production lines in workshops. Li Yufu, general manager of the group company reported that these sample vehicles were all refitted to meet China's conditions. Chen Xitong said that the idea of refitting vehicles was very good, and that the refitted vehicles were low priced, which peasants could afford, and could meet the needs of various fields. Speaking on the technical personnel of the company, Li Yufu said that they had senior engineers brought from other units. Chen Xitong said: It is a good method to bring in trained personnel from other units. We should attach importance to trained personnel and keep them. If we fail to keep them, we cannot stop others from taking them away. This shows that intellectuals are respected and their status has improved. Duan Bingren said that the endeavor of refitting vehicles to suit national conditions had broad prospects and also difficulties, and that the key was to pay attention to technology and hold its ground amid competition.

Chen Xitong and others also heard reports of four other township enterprises. [passage omitted]

Chen Xitong affirmed the achievements of these enterprises. He said: Township enterprises should have the courage to become presentable. We said this many years ago, and some enterprises have had the courage. However, some still do not. The enterprises we discussed today are those which have the courage. Township enterprises have developed very rapidly over the past few years, and their output value will approach 50 percent of the total industrial output value of the municipality. In addition, the scientific and technological parks and small industrial zones in suburban counties represent the reserve forces of Beijing's industry. They will be developed even more if we follow the central

guidelines and do work in line with specific local conditions. A very important one of the new ideas and large undertakings of rural areas is to make township enterprises successful. It is where the hope for revitalizing the rural economy lies.

Chen Xitong said: We have five requirements on township enterprises for the present stage. First, they should have the lofty ideal of rejuvenating China and making rural areas prosper. With the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we totally have the ability to promote the economy and rejuvenate China. Second, they should have the ambition to become presentable and the courage to compete with the advanced enterprises at home and abroad and to develop themselves from "small brothers" to enterprises equal to the advanced ones. Third, they should have the courage to scale heights in science and technology. They cannot develop without scientific and technological knowledge. Beijing has many intellectuals and strong scientific and technological forces. We may take advantage of this to develop township enterprises. The achievements already made should be constantly improved to reach a still higher level. Fourth, they should have the courage to work hard amid market competition. Establishment of the socialist market economy system is conducive to township enterprise development. Township enterprises should produce whatever needed in the market. This itself embodies service to the people. We should promote township enterprise development amid market competition. Fifth, they should have the courage to reach a new level. A group of enterprises producing more than 100 million yuan of output value were commended last year, and more will be commended this year. It is hoped that those who are present today will be among them.

Chen Xitong pointed out: To meet the five requirements and truly reach a new level, township enterprises should exert still greater efforts in reform and specific work. They should develop in the direction of conglomeration, organizing or joining enterprise conglomerates. They should bring in trained personnel and increase the wages of scientific and technical personnel. They should do a good job in advertising their products, even those that have a market. The better the products are, the more they should advertise them and pay attention to their sales. In the principle of submitting to the macroregulation and control of the central authorities, they should achieve success in micro flexibility and in distribution according to work, boost people's enthusiasm, and develop their wisdom and intelligence. This is the starting and ending point of reform. Regarding the difficulty in funds, they may develop the shareholding cooperation system and joint investment or use foreign funds on the premise that public ownership remains predominant. The key is to emancipate the mind. With an emancipated mind, they will have more ideas.

Discusses Beijing 'Spirit'

OW2508102693 Beijing XINHUA in English 0844
GMT 25 Aug 93

[Text] Beijing, August 25 (XINHUA)—"Beijing is not Hong Kong, nor New York, nor Singapore - Beijing should be like Beijing," the secretary of the Beijing municipal Communist Party committee said in a seminar last Saturday [21 August] on preserving and restoring the traditional outline and features of Beijing, according to today's BEIJING DAILY [BEIJING RIBAO].

"Beijing is the capital of the People's Republic of China, a country with a population of 1.1 billion people. It ought to be an ancient cultural capital and a modern city, with the spirit of the times, national traditions and Beijing's unique ambience incorporated together," Chen said to 40 scholars who attended the seminar.

"We are not saying that we should return to the past, but we do want to progress by combining the features of the ancient capital with the spirit of the times," he emphasized.

Chen said that despite the government's repeated warnings on the protection of the style and features of Beijing, the city is still losing its peculiar grandeur through the copying of Western styles of architecture.

"This time we should say that we have a sense of urgency in protecting Beijing's spirit," Chen said.

He said that the city looks dull and monotonous, with buildings resembling rows of mahjong pieces.

Chen said concerned government organs should be more discriminating about the construction of new buildings in the city.

"Those that don't meet the requirements should not be allowed to be built," Chen said. "Architecture should show individual characteristics and the architect's creative talent."

Zhang Bo, a state-level architect, said that middle-aged and young architects tend to overlook China's national and traditional styles of architecture, and called for a change.

Some experts said that economic development should not be made at the cost of the traditional characteristics of Beijing.

A contest to select the 50 best new buildings that incorporate traditional Chinese architecture is now being held in Beijing. Meanwhile, a photography contest will also take place on the subject of new schools and styles of architecture.

Beijing has been the capital of China for more than 500 years. A zig-zag-shaped great wall of mud bricks and

stones to the north, the imperial palace in the center of the city, and numerous other historic sites give Beijing its unique character.

Beijing Laws on Auditing of Foreign-Funded Firms

HK2508013693 Beijing RENMIN RIBAO in Chinese
19 Aug 93 p 2

[Report by Qing Yun (1987 0061): "Beijing Municipal Taxation Departments Strengthen Auditing of Foreign-Funded Enterprises"]

[Text] Since mid-August, Beijing municipal taxation departments have been issuing standardized taxation registration papers to some 7,000 foreign-funded enterprises in Beijing, and their subsidiaries.

The issuance of standardized taxation registration papers to foreign-funded enterprises is being carried out according to the stipulations of the PRC Income Tax Law for Enterprises With Foreign Investment and Foreign Enterprises, and the PRC Regulations on Tax Collection and Management. This is of great significance for precisely grasping the tax fund from foreign firms, strengthening management over the collection of taxes from foreign firms, and better organizing tax income collected from foreign firms.

The standardized tax registration papers are divided into three kinds: Tax registration papers for enterprises with foreign investment, tax registration papers for foreign enterprises, and tax registration papers for the subsidiaries of enterprises with foreign investment. The papers of first kind are issued to the Sino-foreign joint venture enterprises, Sino-foreign cooperative enterprises, and enterprises with foreign capital. The papers of second kind are issued to the organs and places established in China by foreign enterprises, including management organs; offices; factories; natural resource exploration sites; locations for accepting contracts on construction, installation, assembly, and prospecting; locations providing services; and business agents. Papers of third kind are issued to the operation and production branches set up by the foreign-funded enterprises in China in the Chinese locations away from the headquarters of the enterprises. When an enterprise sets up two branch organs in the same location, they must receive separate tax registration papers.

According to a person in charge of the municipal taxation bureau, the foreign-funded enterprises in Beijing have developed rapidly. At the end of June, the municipality had a total of 5,074 such enterprises registered for tax payment. The issuance of tax registration papers is mainly to strengthen management of the foreign-funded enterprises, but this will not affect the preferential tax treatment for them. Of course, when issuing the tax registration papers, the taxation departments will cooperate with the relevant departments in seriously examining the qualification of the enterprises. Enterprises

that fail to meet the requirements of the law on foreign-funded enterprises will stop enjoying the preferential tax treatment for foreign-funded enterprises, and their qualification as foreign-funded enterprises will be canceled by the relevant department.

Hebei Begins Production of 'Superlight Aircraft'

OW2608113593 Beijing XINHUA Domestic Service in Chinese 2105 GMT 24 Aug 93

[Text] Beijing, 25 Aug (XINHUA)—After 13 years of trial manufacturing, flying, and marketing of the Mifeng [Bee] series of superlight aircraft, the Mifeng 11 (MF-11) aircraft, which had gone through repeated improvement, was recently put into batch production in Xuanhua, Hebei.

The latest model of Mifeng, which can accommodate three passengers including the pilot, has a net weight of 190 kg and wingspan of 8.7 meters, and stands 2 meters in height. The distance for take-off and landing is 94 and 114 meters, respectively. With a maximum speed of 154 km/hour, flight altitude of 4,000 meters, flying range of 203 km, and maximum climbing rate of 3.8 meters/second, MF-11 has the heaviest carrying capacity, fastest speed, and longest flying range of other models of the same type of aircraft; and it is mainly suitable for agricultural and forestry sowing and pest prevention and control, forest fire prevention, aviation survey, security management, flight training, and aerial photography.

MF-11 is developed by the Beijing Aerospace University; and manufactured by the Huolande Optical, Mechanical, and Electrical Engineering Ltd. Company in Beijing, and the Huanhua Sanxing Aircraft Manufacturing Ltd. Company, a joint venture of Hebei's Zhangjiakou New and High Technology Development Zone and the Huanhua Excavation Machinery Plant. A series of test flights conducted from May 1991 to date show that the aircraft is light, handy, reliable, and commensurate with the advanced international standard.

According to the forecast by a group of experts affiliated to the China Association for Science and Technology, by 2000, China will need at least 1,000 airplanes for general agricultural use, and so far it only has some 300. Therefore, the market potential is great for the new superlight aircraft model. As of June this year, 54 airplanes of the first few series of Mifeng had been sold, including seven to the United States, Australia, New Zealand, and Malaysia.

Northeast Region

Heilongjiang's Sun Weiben Praises County

SK2508083593 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 23 Aug 93

[Text] Sun Weiben, secretary of the provincial party committee, applauded Jidong County for using funds

designed for constructing a large government building to developing industrial production.

With only a little over 100 industrial enterprises, Jidong County shattered its records in seven fields in the early part of this year, by increasing taxes and profits, conducting technical renovations, and developing new products. One of the most convincing reasons for the county's achievements was ensuring the effective usage of financial resources and spending money on crucial projects. The county's leadership decided not to build a large government building and to spend all surplus funds on helping enterprises increase their economic results. The county people's government is still conducting its official work in the old house built in 1965. Over the past few years, the county's investments in production has been relatively large and the investment made in industrial production was encouraged. Of the county's investments in capital construction, more than half has been used for industrial production. The county has never sought modernization and westernization in its urban construction. By the end of 1990, the county people's government took 5 million yuan from its financial revenues each year for the working funds of industrial technical renovations. The county has, to date, spent almost 20 million yuan for this purpose, in which the county has arranged 36 renovation projects. It has also taken 8.1 million yuan from its financial revenues to help five enterprises restore their suspended or partially suspended production and to support four enterprises in overcoming their difficulties.

Not long ago, Sun Weiben, secretary of the provincial party committee, made an inspection tour in Jidong County. After being briefed on the county's situation during his inspection tours, he greatly praised the method adopted by Jidong County in concentrating its funds on running enterprises. Sun Weiben said: This method represents the spirit of being highly responsible for the party and the people. It is hoped that all localities will attach great importance on the method, further deepen their reform, and display the spirit of struggling and doing pioneer work arduously.

Heilongjiang's Hegang Elects New Party Secretary

SK2508102193 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 23 Aug 93

[Text] The eighth Hegang city CPC congress concluded on 23 August. During the congress, Feng Yongxiang [7458 3057 4382] was elected secretary of the city party committee and (Chen Wanzhong) was elected secretary of the city Discipline Inspection Commission.

Heilongjiang Starts Fiber Optics Communications

SK2508102593 Harbin HEILONGJIANG RIBAO in Chinese 6 Aug 93 p 1

[Excerpts] The Qiqihar-Hailar long-distance fiber optics and electric communications project, which will modernize and technologically transform the telecommunications line of the Qiqihar-Hailar section of Binzhou Railway, formally started prior to "1 August."

This project is one of the major construction projects jointly carried out by the Ministry of Railways and Harbin Railway Bureau during the Eighth Five-Year Plan period. This project involves a total investment of 102 million yuan and is scheduled to be completed by the end of 1995. [passage omitted]

This technological transformation project will greatly improve the backward telecommunications situation of the Qiqihar-Hailar railway section and will enhance the telecommunications capacity by more than 30 times.

Jilin Secretary Discusses Press Propaganda

SK2608132893 *Changchun JILIN RIBAO* in Chinese 4 Aug 93 p 1

[By Liu Ge (0491 2960): "Press Propaganda Should Serve as a Driving Force in Building a Developed Border Province Near the Sea"]

[Text] On the afternoon of 2 August, He Zhukang, secretary of the provincial party committee; Wang Jinsan, deputy secretary of the provincial party committee; and Vice Governor Zhang Yueqi, attended the first provincial meeting to award "good press items on publicizing Jilin."

The award-giving meeting was presided over by Vice Governor Zhang Yueqi.

On behalf of the provincial party committee and the provincial government, He Zhukang, secretary of the provincial party committee, extended congratulations to the awarded press units and journalists and gave an important speech. He stressed: Under the market economic conditions, press propaganda should serve as an important driving force in turning our province into a developed border province near the sea. In content, good press items will reflect the main melody of the times, and in the expressive form, they have unique individual character, inspiring and enlightening the people, and providing them strength and confidence. The guiding and impetus role of press propaganda can never be replaced by other aspects. The role it plays is immeasurable and will propel the epoch forward.

Comrade He Zhukang pointed out: Over the past years, comrades of the press organs of the central press units stationed in our province and the broad masses of journalists of our provincial press units have done a lot of work to publicize Jilin; issued a lot of valuable press news in the central press media, the press media subordinate to various departments, and committees of the State Council and in foreign newspapers and magazines; reflected the major measures of the provincial party committee and the provincial government from different sources; concentratedly revealed the new achievements and new experiences of the province in reform and opening up and in various aspects of work; and reflected deeply on the new situation and new problems which the province had encountered in the course of reform and opening up. They have formed a strong media guidance,

playing an important role as an impetus in encouraging the people across the province to work hard, realizing the grand objective of pushing the economy to a new stage and accelerating the building of a developed border province near the sea and playing an important role in reinforcing the renown of Jilin Province, enabling the world to understand Jilin and Jilin to march towards the world, expanding business and investment invitation, and accelerating the development of export-oriented economy.

Comrade He Zhukang further pointed out: The sixth provincial party congress has put forward the grand task of building a developed border province near the sea for the broad masses of Communist Party members and the people throughout the province. At present, the central task of the provincial party committee is to deeply implement the guidelines of the 14th party congress and the sixth provincial party congress, deepen reform, expand the degree of opening up, and building a developed border province near the sea. We should conscientiously implement Comrade Jiang Zemin's important speech given on 1 July, strengthen and improve the party's leadership, resolutely fight corruption, and do a good job in building party style and a clean government. Party committees at all levels must pay great attention to this point. News reports should reflect the work in these aspects in a better manner.

After briefing on our province's current industrial, agricultural and foreign economic, and trade work and on the excellent situation in building spiritual civilization, Comrade He Zhukang set forth hopes on comrades of the press circles.

He hoped that the press units would comprehensively and deeply report on the efforts of the people of various nationalities across the province in conscientiously implementing Comrade Deng Xiaoping's important speech delivered during his tour to south China and the guidelines of the 14th party congress and in realistically deepening reform and opening up during the process of building a developed border province near the sea. Press units at all levels should attach importance to media guiding work with a high sense of responsibility and mission, be good at analyzing and keeping abreast of the situation, clarify the guiding ideology for news reporting work, grasp well the propaganda keynote during a period, unswervingly adhere to the orientation of serving the people and socialism and implement the principle of unity, stability, and enthusiasm and of conducting propaganda with positive examples. Press propaganda must be conducive to social stability and development. In press propaganda, we should proceed from the overall situation of reform, opening up, and modernization and should introduce Jilin and publicize Jilin. At present, the state has implemented the principle of macroeconomic regulation and control in economic work, but this is not a comprehensive retrenchment. The press media must be guided accurately. In press propaganda work, we must carry it out in close coordination with the party's central work and in line with our province's reality, grasp the

propaganda keynote, do a good job in reporting and publicizing all aspects of work, and attend to safeguarding and giving play to the enthusiasm of the broad masses of cadres.

Comrade He Zhukang also hoped that the press media would advance their work from the overall situation and do a better job in conducting press propaganda work on building a developed border province near the sea. He said: Building a developed border province near the sea is a huge project, and its important definition is "development," and the key to success lies in reform, opening up, the building of two civilizations, and specific implementation. We have to assume a heavy responsibility in press propaganda work. Media guidance, whether good or bad, plays a decisive role in building a developed border province near the sea. Previously, the press units did a good job in publicizing the connotation and tasks of this strategic policy decision, and the present issue is how to expand the propaganda quality and strength in an effort to promote the implementation of the major move of building a developed border province near the sea. Our propaganda work must not remain on the surface. We must not be satisfied with superficial propaganda work, and must exert efforts to strengthen the study of major principles and policy issues, sum up and popularize major examples and experience, analyze and solve some in-depth problems restricting reform and opening up, and give news reports on the central task of economic construction and on all sorts of activities on accelerating the building of a developed border province near the sea.

At the end of his speech, Comrade He Zhukang said sincerely: In the practice of building a developed border province near the sea, journalists should go deeply to the

reality of life, participate in the enthusiastic practice of reform and construction, go to the workers and peasants, dynamically tap the living source material in their real life, dynamically grasp the pulse of the times, and enthusiastically sing the praises of their pioneering spirit. Meanwhile, we should expand the press propaganda coverage, pay attention to the propaganda forms and methods, strive to make all policy decisions of the provincial party committee and government known to all families and understood by all households, and turn the policy decisions into the conscious actions of the broad masses of cadres. We can make an issue of the propaganda on building a developed border province near the sea. In a certain sense, press propaganda is a media and a bridge, and a good job in publicizing Jilin is an important precondition and important task of successfully building Jilin. In short, we hope that comrades of the central press units stationed in the province and the provincial press units will use their brains more frequently, often think over issues, work in a down-to-earth manner, and strive to make new achievements in press propaganda work in the great cause of building a developed border province near the sea.

The first meeting to "award good news items on publicizing Jilin" decided to give five special awards, 11 first-class awards, 21 second-class awards, and 26 third-class awards. The Jilin office of XINHUA NEW AGENCY and the news department of Jilin television station received the "collective contribution award."

This award will be given once a year.

Relevant leaders of the General Offices of the provincial party committee and of the provincial government and the Propaganda Department of the provincial party committee also attended the award-giving meeting.

**Beijing Fetes Attendees of Law Science
Symposium**

*OW2508135493 Beijing XINHUA in English 1253
GMT 25 Aug 93*

[Text] Beijing, August 25 (XINHUA)—The Association for Relations Across the Taiwan Straits (ARATS) held a reception here today for Taiwan scholars who have been here to attend the '93 symposium on the science of law across the Taiwan Straits.

Tang Shubei, executive vice-president of ARATS, presided over the reception and proposed a toast.

Tang said that ARATS is glad to promote law exchanges among scholars across the Taiwan Straits and that he believed that such exchanges would be beneficial to the further development of relations across the Taiwan Straits.

He hoped that scholars of the science of law on the two sides of the straits would raise proposals on how to develop relations.

Ninety scholars and other guests from Taiwan, headed by Chang Hsiao-tzu, president of Taiwan's Soochow University, attended the reception.

Symposium Concludes

*OW2508140093 Beijing XINHUA in English 1328
GMT 25 Aug 93*

[Text] Beijing, August 25 (XINHUA)—The 1993 symposium on the science of law across the Taiwan Straits closed here today.

During the three-day symposium more than 160 experts exchanged views on the study of legal education, property rights protection, investment interest and co-operation across the Taiwan Straits.

In his closing speech Chen Guangzhong, president of the China University of Political Science and Law, said that the symposium had achieved unexpectedly encouraging results.

He said that the scholars and experts from both sides of the straits had enhanced their understanding and friendship.

Chang Hsiao-tzu, president of Taiwan's Soochow University, said that the aim of the symposium had been to pursue long-term exchanges and co-operation.

He noted that though there are differences on some questions between scholars on the mainland and Taiwan, the distance will be narrowed gradually so long as they enhance friendly, objective and rational exchanges.

More than 200 people attended the closing ceremony of the symposium, including Zhang Xiufu, Chinese vice-minister of justice, Ma Yuan, vice-president of China's Supreme People's Court, and Liang Guoqing, deputy procurator-general of China's Supreme People's Procuratorate.

President Li Teng-hui Meets U.S. Senator

*OW2608150293 Taipei Voice of Free China in English
0200 GMT 24 Aug 93*

[From the "News" program]

[Text] President Li Teng-hui Sunday [22 August] urged Washington not to neglect the ROC's [Republic of China's] interests when it considers issues and policies which affect both sides of the Taiwan Strait.

Li made the call during a meeting with U.S. Senator Charles Robb, chairman of the Senate Foreign Relations Subcommittee on East Asia. Robb asked if PRC President Chiang Tse-min's [Jiang Zemin's] congratulatory message to Li when the latter was reelected to the post of KMT [Kuomintang] party chairman indicated a change in Peking's stand toward Taiwan. President Li responded that, quote, we consider it to be an expression of goodwill which is conducive to stable relations between the two sides across the Taiwan Strait, unquote.

Regarding arms sales by the United States to Taiwan, Li said the ROC's acquisition of arms is for the main purpose of self-defense, but, at the same time, the ROC will be able to contribute its share to maintaining peace and stability in East Asia.

Minister Denies Plans To Buy French Missiles

*OW2608094493 Taipei CNA in English 0807 GMT
26 Aug 93*

[Text] Taipei, Aug. 26 (CNA)— Minister of Defense Sun Chen Thursday [26 August] denied reports in the local media that French-made Mica missiles would be installed on newly purchased F-16 fighter planes.

Sun reportedly made the remark during an interview with LA TRIBUNE, a French economic daily, during the Taipei aerospace technology show last week.

Reports also said Taiwan would be the first foreign buyer of the Mica, an air-to-air missile which can strike multiple targets at the same time.

The reports quoted Sun as saying Taiwan is studying the possibility of installing the missile on its F-16 fighters.

They also quoted Sun as saying it is natural for Western countries to seek trade opportunities when they are in economic recession, and that Taiwan wants to develop itself into a hub for the world's weapon industry.

Sun denied he had made such remarks, saying Taiwan has no such intention.

French Dassault Aviation Firm Chairman Visits**Premier on Technology Links**

*OW2508210593 Taipei CNA in English 1454 GMT
25 Aug 93*

[Text] Taipei, Aug. 25 (CNA)—Premier Lien Chan said Wednesday [25 August] that it would be a win-win situation if France stepped up high-technology cooperation with the Republic of China [ROC].

The two countries would be ideal partners as France is a leader in science and technology while Taiwan is abundant in idle money, Premier Lien said in a meeting with S. Dassault, chairman of Dassault Aviation. The French company opened a representative office in Taipei this week to handle increasing business with Taiwan.

Lien said the ROC's purchase of 60 Mirage 2000-5s and the participation of France's Matra Co. in the construction of Taipei's mass rapid transit system marked the beginning of anticipated closer ties between the two countries.

Dassault said his company, while noted for its military aircraft, has also distinguished itself in the manufacture of smaller civilian aircraft and electronics and computer products. Dassault Aviation participated in the second Taipei Aerospace Technology Exhibition, which was held at the Taipei World Trade Center Aug. 19-22.

Economic Minister on Cooperation

*OW2608123593 Taipei CNA in English 0804 GMT
26 Aug 93*

[By Y.C. Tsai]

[Text] Taipei, Aug. 26 (CNA)—Dassault Aviation is interested in exploring Taiwan's aerospace market, Minister of Economic Affairs P. K. Chiang said Thursday [22 August].

Chiang made the remarks after meeting with Serge Dassault, chairman of the French Aviation Company, to discuss industrial technologies.

Dassault signed a contract last year to sell Taiwan 60 Mirage 2000-5 fighters and is now interested in tapping into Taiwan's satellite program and short-range passenger jetliner market, he said.

Dassault's 20-seat Falcon jets aim to make inroads into Taiwan, which has yet to open its skies to private investors, Chiang explained.

The minister said he urged the French firm to transfer all technology related to the Mirage 2000-5 fighters to domestic manufacturers.

Technology transfers could help to make Taiwan a research and development center in the Asia-Pacific region, which boasts great potential for aerospace development, Chiang said.

He added that talks on a strategic alliance between the Ministry of Economic Affairs and Dassault are under way.

Speculation about the nature of Dassault's increased ties with Taiwan's aerospace industry has mounted since the French company opened a branch office in Taipei Tuesday.

Response to Austrian Arrest of Tourists

Tourist Agents Launch Boycott

OW2608152893 Taipei CNA in English 1353 GMT 26 Aug 93

[Text] Taipei, Aug. 26 (CNA)— the Taipei Association of Tourist Agents announced Thursday [26 August] afternoon a tourist boycott of Austria for the Austrian Government's failure to apologize for wrongfully detaining and strip-searching a group of Taiwan tourists in Vienna last week.

Acting on behalf of tour agents around the country, the association decided on the boycott after convening an emergency meeting at noon.

The decision was a reaction to the less-than-apologetic tone of the statement issued by the Austrian trade delegation in Taipei. It read: "the Austrian minister of economic affairs and tourism has expressed his regrets over the retention of a group of tourists from Taiwan by police in Vienna."

Eleven Taiwan tourists were taken into custody by Vienna police on Aug. 19 after they were wrongfully accused of using forged Mastercards. The tourists were strip-searched and interrogated, then detained for eight hours without food or water.

The Austrian Trade Delegation claimed that the incident originated in the "worldwide standard procedures of checking credit cards on presentation regardless of the cardholder's nationality."

An association executive, explaining the reason behind the boycott, said, "we don't see there is any improvement in the addressing of the incident."

The association originally set an ultimatum for the Austrian Government to either formally apologize by 3:00 P.M. Wednesday or face the boycott.

The boycott was postponed for one day after Citibank, the issuer of Mastercard, offered each tourist involved in the incident US\$1,000 and a free week-long trip to Hawaii.

The offer was, however, rejected by the tour group. "What we're pursuing are consumers' rights, not personal interests," a spokesman for the group said.

Minister Chien Demands Apology

OW2608153593 Taipei CNA in English 1358 GMT 26 Aug 93

[Text] Taipei, Aug. 26 (CNA)— Foreign Affairs Minister Chien Fu again demanded Thursday [26 August] that the chief of Austrian police formally apologize for the illegal detention of 11 Taiwan tourists in Vienna last week.

Chien also asked for an apology Wednesday.

The group of Taiwan travelers were detained and strip-searched for eight hours on Aug. 19 after one member was accused of using a forged Mastercard.

"The inhumane treatment is simply unbearable, and has touched off strong sentiment against Austria among the local people," Chien told the press.

Meanwhile, Vice Foreign Affairs Minister Huang Hsiu-jih said the visa-free treatment for Austrian citizens for a 120-hour stay in Taiwan will not be canceled for the time being.

"Further considerations are needed before such a rash move is taken, given the friendly relations between the two countries," Huang said after meeting with Christoph Grabmayr, deputy representative of the Austrian Trade Delegation in Taipei.

Besides, Huang pointed out, the Austrian minister of economic affairs and tourism had expressed regret over the incident.

Huang was responding to a query by legislator Ting Shou-chung Thursday, who argued that "the rude action by the Vienna police has humiliated the dignity of the tourists and the nation as well."

Ting proposed that the Ministry of Foreign Affairs take an immediate retaliatory measure by stopping visa-free treatment for Austrians.

Chien Urges Government Apology

OW2508210793 Taipei CNA in English 1432 GMT 25 Aug 93

[Text] Taipei, Aug. 25 (CNA)—Foreign Affairs Minister Chien Fu Wednesday [25 August] demanded Austria apologize for the "inhumane wrongdoings" of Vienna police who unfairly arrested two groups of Taiwan tourists wrongfully accused of using counterfeit mastercards.

Chien blasted the brutal handling of the Republic of China [ROC] nationals by the police, saying that the arrests and subsequent detentions were violations of the tourists' internationally recognized human rights.

Chien said he has ordered ROC officials stationed in Vienna to file a strong protest to the Austrian Government, stressing that if appropriate and sufficient steps are not taken by Austria to remedy the incidents and

make sure such episodes never happen again, the Foreign Ministry would call for a tourist boycott of that country.

The Taipei Association of Travel Agents gave its backing to the government's move, saying islandwide travel agencies would consider suspending package tours to Austria if necessary measures are not taken by Austrian authorities to compensate the victims.

Legislator Lin Shou-shan Wednesday in a written statement suggested ROC officials stationed in Austria take legal action against Austrian police.

Austrian Trade Delegation Deputy Representative Christoph Grabmayr expressed regret over the incidents and said he is still waiting for his government's instructions regarding a public apology and resolution of the matter. He said a formal report from Austria would reach Taipei within 24 hours after an Austrian investigation is completed.

Deng Pufang Invites Lawmaker to Mainland

OW2508154693 Taipei CNA in English 1427 GMT 25 Aug 93

[Text] Taipei, Aug. 25 (CNA)—Kuomintang legislator Hsu Chung-hsiung left Taipei Wednesday [25 August] en

route to Mainland China at the invitation of Deng Pufang, son of paramount communist leader Deng Xiaoping.

During his visit, Hsu will meet with officials from welfare groups for the handicapped and probe the possibility of hiring mainland nurses to work in Taiwan where nursery personnel is in short supply.

Hsu, himself handicapped, downplayed his mainland trip. He said his trip was not significant and had absolutely no political overtones.

Correction on SEF Excluding Talk on Hijackers

OW2408153093

The following correction pertains to the item entitled, "SEF To Exclude Talk on Repatriating Hijackers," published in the 24 August China DAILY REPORT, page 72:

Column two, second paragraph, only sentence, should read: [Yang] However, Shi Chi-ping said: Within the broader framework, that is, for the sake of jointly combating crime, it is possible to believe that SEF will listen to the other side's views and study them after returning to Taiwan. (correcting word)

Hong Kong

Article Discusses Civil Servant Policy

HK2608031893 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0815 GMT 24 Aug 93

[“Special article” by Hong Wen [1738 5113]: “China and the UK Should Discuss the Civil Service Issue With Joint Efforts”]

[Text] Hong Kong, 24 Aug (ZHONGGUO TONGXUN SHE)—Recently, the Hong Kong Government has suddenly put forward the policy for expatriate civil servants to switch to local terms of employment. This has given rise to questions and even criticism from various circles. The reaction of local civil servants, in particular, is very strong. Whether or not the state of affairs will deteriorate is a matter of concern. Besides, the British Hong Kong Government made the relevant decision without informing the Chinese side in advance. This has caused dissatisfaction on the part of the Chinese side. The Chinese side has always maintained that during the transitional period, it is inappropriate to have important changes in any major policy concerned, including the civil service policy, and that if any change is to be made, it should be discussed with the Chinese side.

Although the Hong Kong Government expressed afterward that it was considering allowing the policy of expatriate civil servants switching to local terms of employment to be discussed by the Sino-British Joint Liaison Group, it still stresses that the policy concerned does not involve any long-term impact after 1997 and that the Hong Kong Government will only discuss the definition of permanent residents after 1997 and how to apply the definition to the civil service framework.

This ambiguous attitude on the part of the Hong Kong Government has caused doubts about its sincerity in discussing the civil service issue with the Chinese side. As a matter of fact, the measure to allow expatriate civil servants to switch to local terms of employment recently announced seems outwardly to be a matter of a short-term extension of contracts, but is in essence a policy straddling 1997. It includes the substantive content of turning expatriates into Hong Kong permanent residents. In other words, the employed expatriate civil servants may, by means of this policy, become civil servants entitled to a pension. This then involves an important change in the civil service framework and the definition of Hong Kong permanent residents. The measure is closely related to the administration after 1997 and has a far-reaching significance. Therefore, it is entirely necessary to put the matter on the agenda of the Sino-British Joint Liaison Group.

As a matter of fact, China and the UK, being faced with the fact of Hong Kong's official separation from the colonial political system in 1997, should strengthen cooperation in the run-up to 1997, enthusiastically train local civil servants to gradually replace the expatriates, and ensure that expatriates who are willing to stay

behind to serve Hong Kong and who meet the requirements of the Basic Law will continue to be employed so that a smooth transition in the civil service system can be achieved. Therefore, it is the bounden duty of the Chinese and British sides to discuss the civil service issue proceeding from the premise of safeguarding Hong Kong's prosperity and stability.

Ensuring the stability, harmony, and effective operation of the civil service system is one of the essential factors for Hong Kong to bring about economic prosperity, and is also an indispensable condition determining whether or not the British side is able to effectively maintain its governing prestige in the coming three years or more. The Hong Kong people who have grown up together with the growth of Hong Kong have much personal experience in this. At present, seeing the unrest in the civil service framework, the great majority of the residents hope that the Hong Kong Government will keep its promise to be “fair, open, and acceptable to the people of Hong Kong”; will relieve the current disturbance; and will achieve a common understanding with the Chinese side on the convergence of the civil service system with 1997, the realization of a smooth transition, and other issues as soon as possible.

Mainland-invested Firms Improve on Stock Exchange

OW2108131293 Beijing XINHUA in English 1236 GMT 21 Aug 93

[Text] Hong Kong, August 21 (XINHUA)—Hong Kong's [HK] red chips—locally listed companies with large Chinese mainland shareholders—have rebounded and should continue to rise over the next few weeks, analysts say.

“THE STANDARD” newspaper reported today that Dao Heng Securities' Red Chip Index had been moving upwards since hitting a trough on July 23. On August 12, the Red Chip Index outperformed the Hang Seng Index, with Dao Heng's figures showing the Red Chip Index at 135.02 and its comparative Hang Seng Index at 133.15.

Dao Heng's Red Chip Index is comprised of 31 companies that are at least 30 percent mainland owned. Dao Heng uses December 31 1992 as the 100-point base for comparing the performance of the Red Chip Index with the Hang Seng Index.

On that scale the Red Chip was 130.89 yesterday while the Hang Seng was 134.1.

“Until recently, investors were scared of red chips but now they are on a buying spree,” said head of Dao Heng's research and marketing Alex Tang.

“Interest has returned to the red chips and the trend is likely to continue in the coming two to three weeks,” said Vickers Ballas Associate Director Alan Chan.

The Red Chip Index was down 1.9 percent compared with last week mainly because Shougang International's price fell, dragging down the other Red Chip constituents.

Shougang International accounted for nearly eight percent of the Red Chip Index. Its market capitalization is about 90.5 billion HK dollars (about 11.60 billion U.S. dollars) - about five percent of the total market capitalization.

Tang said investors were picking up red chips as the mainland's austerity program was becoming effective.

Local investors have been buying up shares of mainland-controlled companies while overseas investors have picked up "H" shares, which are new listings of mainland enterprises.

Share prices on the stock exchange of Hong Kong weakened yesterday following four straight record-breaking sessions this week.

Hang Seng Index, key indicator of local blue chips, yesterday declined 59 points to close at 7,545 on a turnover of 5,098 million H.K. dollars (654 million U.S. dollars) as compared with 4,641 million H.K. dollars (595 million U.S. dollars) recorded Thursday.

Investors are looking forward to the announcement of interim results by more companies later this month before making their further development on the stock exchange.

52 Percent of External Trade Goes by Ocean

OW2408130893 Beijing XINHUA in English 1145
GMT 24 Aug 93

[Text] Hong Kong, August 24 (XINHUA)—Fifty-two percent of Hong Kong's external trade went by ocean in the first half of 1993, according to the Census and Statistics Department today.

Shipment by ocean amounted to 510 billion HK [Hong Kong] dollars (65.4 billion U.S. dollars), with an increase of 12 percent over that in the same period in 1992.

Another 26 percent was transported by land and a further 18 percent by air. The rest 4.8 percent included shipment by river.

The U.S. remained the largest destination for Hong Kong's exports by ocean, accounting for 31 percent in value, an increase of 10 percent.

The value of exports to the Chinese mainland increased by 60 percent over the same period in 1992.

Japan was the largest supplier of Hong Kong's imports by ocean, accounting for 28 percent in value, a jump of 18 percent over the same period in 1992.

Lenders Adopt Measures To Curb Speculation

OW2508122893 Beijing XINHUA in English 1209
GMT 25 Aug 93

[Text] Hong Kong, August 25 (XINHUA)—The two leading mortgage lending banks in Hong Kong start

tougher credit policy today amid spiraling property prices to crack down on rampant property speculation.

While the 70 percent mortgage lending ceiling remains unchanged, Hongkong Bank and Hang Seng Bank have announced that the penalty for redeeming mortgages within 12 months of allocation will be doubled to 50,000 H.K. [Hong Kong] dollars (6,410 U.S. dollars) or 3 percent of the loan.

The new measure, effective from today, also include the scrapping of the system of using a guarantor's income to underwrite a mortgage.

Figures from the monetary authority showed that annual growth in mortgage lending had hit 30.2 percent in July, the highest for 20 months. Prices of residential property rose by up to 15 percent in the first half of the year.

The Hongkong Bank and its subsidiary, Hang Seng Bank, are responsible for more than half of all residential mortgages in the territory.

Hongkong Bank recorded soaring early repayments from 252 million H.K. dollars (32 million U.S. dollars) in February to 905 million H.K. dollars (116 million U.S. dollars) last month. Of that 100 million H.K. dollars (12.8 million U.S. dollars) was repaid within 12 months of the drawdown date. This is believed for speculative activities.

Property stocks are expected to come under selling pressure today in the wake of the new crackdown on mass residential property speculation.

Residential Mortgage Lending 'Growing'

OW2408130693 Beijing XINHUA in English 1148
GMT 24 Aug 93

[Text] Hong Kong, August 24 (XINHUA)—Residential mortgage lending in Hong Kong is currently growing at the fastest rate since the end of 1991, results of the latest monthly survey revealed today.

The latest figures showed that the total amount of outstanding mortgage lending by 28 authorized institutions rose by 2.6 percent in July (2.3 percent in June) from 188.7 billion HK [Hong Kong] dollars (24.2 billion U.S. dollars) to 193.7 billion (24.8 billion U.S. dollars).

"The latest monthly increase is well above the average of 1.1 percent for the last 12 months and is the largest monthly increase since the survey began in January, 1992," said David Carse, deputy chief executive of the Hong Kong Monetary Authority (HKMA).

He noted that new loans approved but not yet drawn also grew at a faster pace in July in terms of both numbers and amount.

The latest monthly survey, conducted by the HKMA, covers a sample of the 28 institutions which together account for about 87 percent of the total mortgage lending of the banking sector.

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